SWISS CONTRIBUTION

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Influence of the meetings industry on the economy of Kraków

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Influence of the meetings industry on the economy of Kraków

A report on the implementation of a project
Steering the meetings industry in Kraków: appraisal
and monitoring of the economic influence of the meetings industry
on Kraków economy, using good practice from Switzerland

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Foundation of the Cracow University of Economics
Kraków 2014

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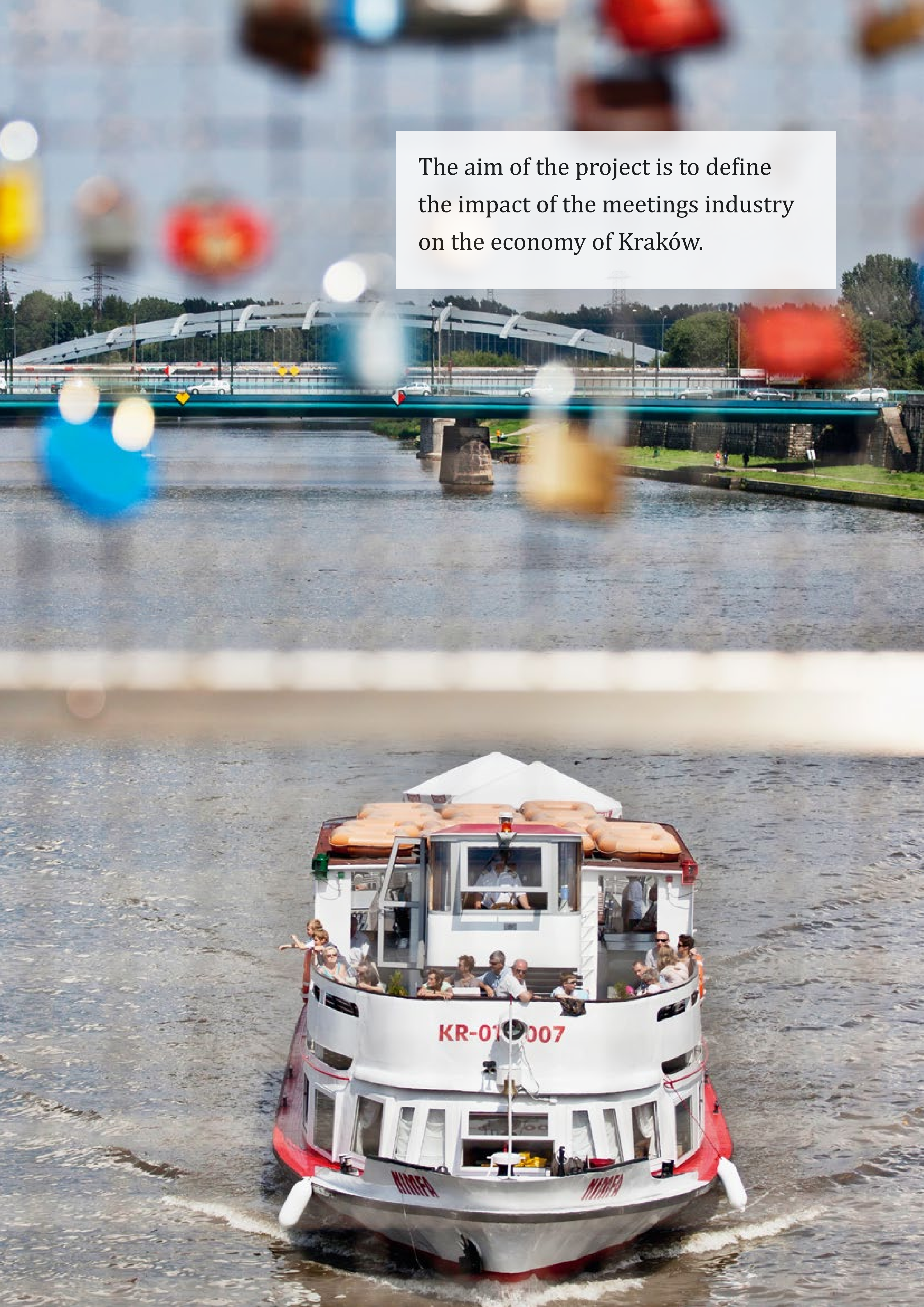
The aim of the project is to define the impact of the meetings industry on the economy of Kraków.



1. INTRODUCTION

The question of assessing the impact of tourism on the economy is very important, and has been tackled increasingly often in recent years. Both economists and politicians want to receive relevant information expressed in precise numbers. This comes as no surprise in the days when every realm of life is quantified.

In the case of tourism, the process of measurement is more difficult than in the case of other sectors, one of the reasons being the fact that tourism is not a separate item in the Classification of Activities statistics. Furthermore its impact is of a multi-aspect nature since besides the direct impact we also deal with indirect and induced impact. Moreover, the effects are subject to a time delay. All these circumstances make any measurement highly complex.

The goal of the project, to define the impact of the meetings industry (also referred to as the meeting industry) on the economy of Kraków, has already been explained in the title of the report. Two types of difficulty in addition to the ones mentioned above had already become obvious at the outset of the project. First, the goal is to estimate the impact of only the selected type of tourism on the economy, therefore it is necessary to abstract only that element that stems from the meetings industry from the comprehensive impact of tourism. Secondly, projects that concern the impact of business tourism are as a rule conducted on a macro scale, which means the scale of a country or possibly a region, and in this project, the study concerns the Municipality of Kraków, therefore there are no standards that one could fall back on.

Taking the above into account, one immediately notices what a huge challenge the preparation of an appropriate study methodology is. A literature survey, especially world literature, returns works devoted to the subject in question, yet unfortunately, the theoretical ones are highly general and can make hardly any contribution to the design of the studies, while the ones that present the results of research do not present their specific methodological assumptions and solutions and include no more than a general introduction plus a presentation of the end results.

The team made use of the expert support of the Swiss partners. Although they have great experience in conducting research, they have not actually conducted any calculations analogous to those required in this study. Thus, the project also posed a major research challenge for them.

It is a necessary condition for obtaining correct results that thorough empirical data is collected. Two further factors emerge as barriers in this area, this time related to the entities operating on the supply side of the business tourism market. The first is their eagerness to share their private data, and the second is the time that individual businesses are ready to devote to the exercise.

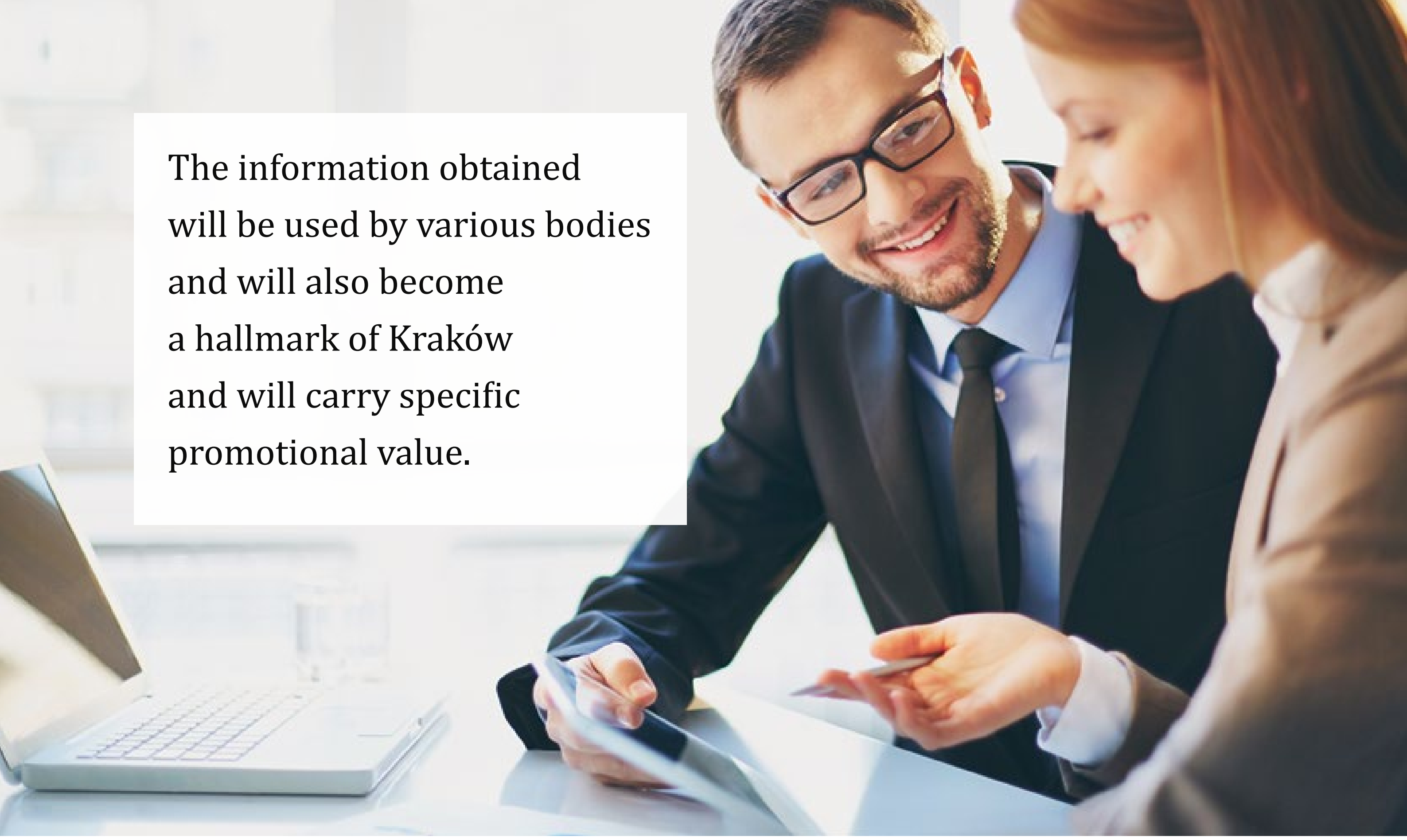
The project lasted for nearly 3 years, and consisted of a number of stages.

The first stage comprised an extensive literature survey, especially on foreign literature. The second stage identified the basic scope of the research in subjective, material and temporal terms. Terminological issues were decided, notably business tourism (*turystyka biznesowa*) and the meetings industry (*przemysł spotkań*). Although the authors pointed out the differences between the above-mentioned categories, this report uses them interchangeably for stylistic purposes.

A draft plan for the implementation of the project was prepared. To do this an investigation was carried out on the meetings industry market in Kraków which used secondary data held by the Statistical Office in Kraków and other bodies. The staff of the Statistical Office were also consulted on many aspects relating to the content of the research.

Pilot surveys were designed and conducted. The main goal was to develop proper tools for measurement, that is, questionnaires. The plural is used on purpose, as five different questionnaires were developed for various groups of population surveyed.

The following stage was an analysis of the data obtained, assessment of the questionnaires from the pilot phase, and modification of those questionnaires. The tools that were later used in the study proper were developed as a result of this work. The surveys involved were designed with great diligence and lasted for nearly a year so that they could get information on the regular patterns re-



lated to the seasonality of demand in business tourism. The first phase took place in the autumn and winter of 2013, and the second – in the spring of 2014. The surveys were only carried out with businesses that gave their consent and only on the premises of the facilities used. In addition to the above there were data from the database of the Poland Convention Bureau of the Polish Tourist Organisation (PCB POT), which were acquired through voluntary registration of events by their organisers and/or operators.

One needs to emphasise clearly that the quality of the results obtained is closely related to the quality of the data obtained.

The team is conscious of the responsibility they have in relation to the way they have carried out the project. This is because the information obtained will be used by various bodies and will also become a hallmark of Kraków and will carry specific promotional value. That is why due diligence was paid to conducting the entire project in the best manner possible.

The project is focused on the impact of the meetings industry on the city's economy. It does not account for various elements of the results, notably the knowledge and competence imbued, the results achieved by participants, and organiser networking developed through business meetings, structural effects, and image-related effects. Their quantification is even harder, yet this can be considered a recommended topic for future studies and investigations.

The report consists of 15 sections. It starts with an introduction, which is followed by a presentation of the project team. The first study-related section (and the third in the overall order) is the Executive summary. The following section is a summary review of the literature on the impact of business tourism on the economy. The fifth section contains a discussion of the methodology of the studies and analyses that have already been carried out. The sixth chapter discusses analyses of the volume and structure of the meetings industry in Kraków over the period 2008–2013. The seventh chapter presents the value of expenditure by participants in the meetings industry in Kraków: this is the key impact on the city's economy. The eighth presents the most important results of the studies, defining the impact of the meetings industry on Kraków's economy. The ninth section covers recommendations concerning the acquisition of events by the city. The following section is a Summary of the results obtained. The 11th section contains a Bibliography, followed by lists of figures and tables and this is followed by acknowledgements of all who have contributed to the project. The last element of the report is an outline of the Definitions related to the meetings industry that were approved for the project.

2. PROJECT TEAM

MUNICIPALITY OF KRAKÓW – OFFICE OF THE MUNICIPALITY OF KRAKÓW, KRAKÓW CONVENTION BUREAU

- Małgorzata Przygórska-Skowron – General Manager of the Project Team
- Beata Paliś (Manager to 13th January 2013)
- Wioletta Wolak – Deputy General Manager of the Project Team
- Natalia Kulec-Greń – Financial Manager of the Project
- Małgorzata Ciesielska – Public Procurement Manager
- Barbara Tumidajska – Financial Settlements Coordinator
- Marcin Drobisz
- Monika Popiołek
- Magdalena Jędrzejowska (to 31st May 2013)
- Anna Bębenek (to 31st December 2013)

FOUNDATION OF THE KRAKÓW UNIVERSITY OF ECONOMICS

- Dr Krzysztof Borodako – Scientific Coordinator of the Polish Workgroup
- Professor Jadwiga Berbeka
- Associate Professor Agata Niemczyk
- Associate Professor Renata Seweryn

KRAKÓW FESTIVAL OFFICE (KBF, OPERATOR OF ICE KRAKÓW)

- Agnieszka Ziemiańska – KBF Coordinator
- Sara Lamik – KBF Coordinator (to 30th June 2014)
- Lucyna Ferdek – Financial Settlements Coordinator
- Joanna Mercik
- Tomasz Warchał
- Ryszard Strojnowski

UNIVERSITY OF APPLIED SCIENCES OF WESTERN SWITZERLAND VALAIS (HES-SO)

- Professor Roland Schegg – Scientific Coordinator of the Swiss Workgroup
- Enrico Zuffi
- Professor Miriam Scaglione
- Dr Katarzyna Klimek
- Professor Marie-Françoise Perruchoud-Massy

As far as Poland is concerned, the studies conducted were of a pioneering nature in their scope, specific topic, and planned effects.

3. EXECUTIVE SUMMARY

1. As far as Poland is concerned, the studies conducted were of a pioneering nature in their scope, specific topic, and planned effects.

2. The study made use of 5 questionnaires addressed to: business meetings and events organisers, operators of facilities hosting such events, participants in congresses and other meetings of a similar character, visitors to trade fairs and exhibitions, and exhibitors at fairs.

3. The studies were based on a proprietary methodology for estimating the economic impact of the meetings industry on the economy of the Municipality of Kraków based on data from the Statistical Office in Kraków and the Poland Convention Bureau (PCB), and also on an array of sources and materials , including *Rocznik Statystyczny Krakowa*, *Gospodarka turystyczna w Krakowie*, *Badania ruchu turystycznego w Krakowie*, the *Krakowskie Konferencje Naukowe* Programme, *Badania przemysłu spotkań w Krakowie*, the Tourism Economics model (DMAI calculator purchased for the project), and other documents. The primary source of information for the project, however, was provided by questionnaire-based studies.

4. The project included pilot surveys on a sample of 16 meetings of various types (congresses, conferences, seminars, symposiums, training sessions, workshops and other corporate events; incentive events; and trade fairs and exhibitions), covering 265 participants in these events. The main survey, in turn, was conducted on a sample of 92 meetings classified according to the following criteria: type, number of participants, sector, and scope (national/international), covering the autumn and spring seasons (characteristic of the sector). The total number of participants in the surveys, both on the demand and supply sides of the meetings industry in Kraków, amounted to 1294.

5. The approach employed by the project focused on the essence of business tourism, that is, the impact of business visits of people not residing locally. However, as local participants in the meetings also contribute to the generation of expenditure (albeit to a small extent), for example through participation in the costs of the renting of premises and various external services, and also because of the project assumptions related to the study of the meetings industry, all participants in business meetings and events in Kraków in 2013, were taken into consideration.

6. Beginning in 2009, a team representing the Foundation of the Kraków University of Economics (Foundation of UEK), which was based in the Chair of Tourism of the Kraków University of Economics (UEK), was commissioned by the Kraków Convention Bureau (KCB) to carry out studies of the meetings industry in the city. The result of the studies made it possible to obtain a picture of the volume and structure of the demand for group business tourism in Kraków which provided the starting point for the analyses in the project.

7. In 2008–2012, the dominant type of group business meeting in Kraków was the corporate event which accounted for approximately half of all the events; only in 2013 did congresses and conferences take the lead.

8. International events accounted for 1/5 of all the business meetings in 2008–2009 and in 2012, and even more than 1/4 in 2013. The largest share in this group was held by conferences/congresses.

9. The distribution of events in Kraków during the year was quite typical for the meetings industry. They were concentrated in the periods March to June and September to November.

10. In 2013, more than 420,000 meeting and event participants arrived in Kraków. Throughout nearly the entire period of the study (2008–2013) the most numerous group among them was that of tourists coming to trade fairs and exhibitions, although in 2013 their share became equal to that of congress and conference participants.

11. The results of studies conducted for the needs of the project made it possible to ascertain that participants in congresses and other meetings of similar character (i.e. congresses, conferences, seminars, symposiums, training sessions, workshops and oth-

The impact of the meetings industry on the economy of Kraków was assessed in four areas: GDP, employment, salaries, and taxes.

er corporate events, and incentive events) allocate most funds to fees for participation in the event (on average approximately PLN 730 per person), accommodation during the event (approximately PLN 390), shopping (approximately PLN 220), and food (approximately PLN 160).

12. Visitors to trade fairs and exhibitions spent the highest average amounts on accommodation during the event (close to PLN 240) and on shopping in shopping malls and shops (close to PLN 230). These participants spend amounts that are only half of those listed above on food outside the site on which the fair takes place (close to PLN 115).

13. The highest individual average expenditure among exhibitors (people representing businesses at fairs and/or exhibitions or presenting their offer to the visitors) is related to accommodation for the duration of the event (close to PLN 820) and before/after the event (close to PLN 580). Besides the above, there is a fairly high expenditure on shopping in shopping malls and shops (nearly PLN 310 per person), and amusement (pubs, nightclubs, etc. – over PLN 220). In turn, an examination of the expenditure of businesses making their presentations at events shows that the highest average expenditure is allocated to the Fair Handling Agency (on average nearly PLN 5500 per exhibitor), with the fees charged by those cooperating in organising the event (in excess of PLN 4200) coming a close second.

14. A comparison of the structure of expenditure in three groups: participants of congresses and other meetings of similar character, visitors to trade fairs and exhibitions, and exhibitors at fairs leads to the conclusion that the sums spent on accommodation for the duration of the event are highest in all the groups. Especially conspicuous is the expenditure on shopping in the group comprising business fairs and exhibition visitors (whose share is more than twice as high as that in the other two groups studied) and also the expenditure of participants in congresses and meetings of similar character on amusement and food (whose share in turn is half as much as in the remaining groups of respondents).

15. The impact of the meetings industry on the economy of Kraków was assessed in four areas: GDP, employment, salaries, and taxes.

16. The GDP was assessed through the use of the linear regression method using an ancillary (measurable) exogenic variable that remained strongly linked to the GDP calculated for smaller administrative areas in the territorial division of the country, including the city of Kraków.

17. The adjusted value of GDP for the meetings industry group in Kraków amounted to PLN 1,068,900,000 in 2013.

18. The share of the GDP produced by the meetings industry in the GDP of the city of Kraków amounted to 2.37% in 2013.

19. The total full-time equivalent employment in the entire meetings industry in Kraków in 2013 was 8890.

20. Having accounted for indirect and induced effects, the number of employees of the meetings industry in Kraków in 2013 was estimated to be a total of 12,214 people.

21. The share of total employment generated by the meetings industry compared to total employment in Kraków amounted to 3.25% in 2013.

22. The total value of taxes and other levies generated and paid by the meetings industry in Kraków in 2013 was estimated to be PLN 60,001,798.

23. Accounting for the tourist multiplier for the meetings industry, the total value of taxes and levies paid to the municipal treasury by businesses of the sector (natural and legal persons) in 2013 can be ascertained to be PLN 89,606,314.

24. The total value of taxes and levies generated by the meetings industry in 2013 accounted for 2.4% of the revenue of the Municipality of Kraków.

25. The total gross value of salaries in the entire meetings industry in Kraków in 2013 was estimated to be PLN 188,751,330.

26. Having accounted also for the indirect and induced impact, the comprehensive gross value of salaries in the entire meetings industry in Kraków in 2013 was calculated to be PLN 315,799,850.

27. The share of total gross salaries generated by the meetings business in 2013 in the entire Kraków economy amounted to 4.0% by value.

Accounting for the tourist multiplier for the meetings industry, the total value of taxes and levies paid to the municipal treasury by businesses of the sector (natural and legal persons) in 2013 can be ascertained to be PLN 89,606,314.

4. PREVIOUS ANALYSES OF THE IMPACT OF THE BUSINESS, TOURISM AND MEETINGS SECTOR ON THE ECONOMY OF A COUNTRY, REGION OR CITY

Studies conducted during the project concerned the identification of analytical approaches related to the impact of the business tourism and meetings industry on the economy of a country, region, or a city used in different areas of the world. The expansion of the scope of searches for existing studies to such areas as regions and countries was motivated by the lack of available literature, whether books, articles or study reports. The period of economic crisis in the last decade resulted in the need for an even more rational allocation of the limited funds and, in this way, in the seeking of ways to measure the significance and impact of various types of business on the development of a given area. For pragmatic reasons, a decided majority of the studies have so far been conducted at a national or regional scale (for tourism), while studies at a metropolitan or local scale usually focused on the so-called soft aspects of impact, that is on identifying the previously unmeasurable aspects related, for example, to the image of an area, its social and/or cultural impact, prestige, etc. Some research approaches present in literature took the form of econometric models based on detailed statistical data available in a given country. Confronted with Polish public statistics, such cases made it possible to see differences in the level of precision in the statistical data available in many countries of the world. Having become familiar with the multiple research approaches available in the scientific literature, we present a number of them in further detail in the report, discussing the principles behind them and their application in general terms.

The first is the TREIM (Tourism Regional Economic Impact Model), which allows one to estimate the direct, indirect, and induced impact of tourism-related activity on the economy of the region in terms of GDP (gross domestic product), salaries, and employment. It assesses the direct and full impact of this activity on the volume of taxation on a federal, regional, and municipal scale. Moreover, TREIM makes it possible to limit the study to a household or an investment, which allows one to pick out the impact of the additional family revenue obtained as a result of the operation of the tourist sector on the business economy, and reflects the impact of changes in business operation on investments. As the eagerness to spend the additional revenue depends on the economic circumstances, this approach makes use of an equation that accounts for a number of factors, including interest rate, inflation, unemployment rate, and currency exchange rates. In the case of businesses, readiness to invest is the result of numerous factors including the demand envisaged for their products and the cost of new capital. This model grants the user the possibility of generating an estimate of the current impact of tourism on the economy as well as that in previous and future years. It was used for the Canadian economy and was adjusted to statistics available in that country. Within this model, the approach used is the TREIM Single-Region Simulations which makes a simulation of the impact of tourism-related activity in a region on that region and other parts of the province taking the following into account: expenditure of visitors (simulation of the impact of expenditure on the region), expenditure in fields related to tourism (simulation of the impact of tourism-related activity on the economy: retail sales, amusement and recreation, accommodation, restaurants), and expenditure on investments in tourism (simulation of the impact of investment on one of the above-mentioned fields related to tourism) (TREIM, 2008).

Another approach used in the tourism impact study is the RIMS II (Regional Industrial Multiplier System), which helps to estimate the degree to which a one-off or lasting increase of economic activity in a region will be produced by the industry operating in it. RIMS II provides the user with five types of multipliers: multipliers of final demand for production, salaries, and employment; and multipliers of the direct impact for salaries and employment. The model is based on a table of flows between branches obtained from two sources of information: the National input-output table of the BEA (US Bureau of Economic Analyses) showing the input-output structure of nearly 500 branches of US industry and registers on the regional economy (Chang, 2001; Borgen and Cooke, 1990).

The third of the models identified is the IMPLAN (IMpact analysis for PLANning – economic impact model): a tool for the identification of the impact of tourism on the regional economy of the State of Vermont. Its basic purpose was to study the impact of tourist expenditure on the region's economy. The study included impact in the realm of changes in industrial output, changes in employment and income, and taxes. Data collected from various sources – questionnaires addressed to

The period of economic crisis in the last decade resulted in the need for an even more rational allocation of the limited funds and, in this way, in the seeking of ways to measure the significance and impact of various types of business on the development of a given area.

all tourists and business tourists and available IMPLAN data (on employment, added value, production, institutional investor demand, transfers between institutions, national structural matrices) – were used to measure the primary and secondary impact of the tourist industry on the economy. The assessment of the status and significance of the tourist industry for the economy of the State of Vermont made use of input-output (flows between branches) analysis. This analysis makes use of three economic effects to study the impact on the economy: direct (referring to changes in production linked to changes in demand for the product), indirect (related to secondary impacts resulting from the changing needs of industries linked to tourism), and induced (triggered by changes in households related to the additional employment generated by the direct and indirect effects) (Bonn and Harrington, 2008; Alward and Lindall, 1996; Borgen and Cooke, 1990).

A fourth, entirely different concept worth quoting here is the approach developed under the auspices of the WTTC. In cooperation with Oxford Economics (OE), this organisation studies the impact of tourism on the economy of the country and its employment both on a global scale and at that of individual regions (in 2013, studies were conducted in 24 regions) and states (184). The WTTC identifies the direct effects of this influence, recognising that the overall contribution of tourism to the economy of a given country is broader, as besides the direct impacts it also includes indirect and induced ones (in line with the idea of multiplier effects). WTTC believes that the tourist economy refers both to strictly tourist services (e.g. accommodation, transport) and to the providers of goods and services directly connected to the handling of tourist traffic (e.g. vehicles, fuel). Moreover, the WTTC also includes investments related to tourism, public expenditure, and the export of goods as part of the tourist economy. The data acquired from various countries are coherent so that they can be directly compared (WTTC, 2013).

The project which produced this report is based on the investigation of the significance of the meeting sector for the economy of Kraków and was conducted in cooperation with a Swiss partner. The University of Applied Sciences of Western Switzerland Valais (HES-SO) carried out regional studies which involved the measurement of the significance of the University for the economy of the canton. The main author of this approach (the fifth of those discussed here) was Professor Georges Fischer. In his approach Professor Fischer pointed to the significance of dimensions other than the economic, notably infrastructural, networking, competence, and image effects. It was proposed that the impact of a given activity (in this case educational and research services) is referred to various types of distribution effects at three levels of analysis: the purchasing power or payments made, the quality of goods, and the consumption of the services provided (Fischer, 2001). Although providing the foundation for the analysis, the first level is not sufficient for a proper study of the impact of a given realm on the economy of a region. That is why it is necessary to move from financial flows to the second level, namely that of the flow of goods. In the third step (i.e. on the third level) of the analysis, the question is posed which region in a given state makes the most and which the least benefit from the services provided by the given type of business. This concept also accounts for the multiplier which points to the indirect and induced impact. As mentioned earlier in the paragraph, while this approach may be interesting, it is primarily adapted to Swiss circumstances, and secondly, it refers to a different type of activity. Moreover, it concerns a specific subject together with its impact on the economy of a canton, and not an extensive cluster of stakeholders which make up a given sector.

The sixth and seventh approaches are similar studies commissioned and branded by a global organisation, the Meeting Professional International foundation, of two countries: Canada (known as the Canadian Economic Impact Study – CEIS) and the United Kingdom (known under the name of the United Kingdom Economic Impact Study – UKEIS). The British project, discussed briefly below, is the most recent of these. The Economic Impact of the UK Meeting & Event Industry study conducted by the Leeds Metropolitan University and commissioned by the Meeting Professionals International (MPI) foundation made use of the experienced gathered in the previous national studies:

- National Business Events Study. Australia (2005); conducted by Deery, Jago, Fredline, and Dwyer for STCRC
- The Economic Contribution of Meetings Activity in Canada (2008); conducted by Maritz Research for MPI Canada

- The Economic Significance of Meetings to the US Economy (2011) – conducted by PWC on behalf of the Convention Industry Council
- The Economic Significance of Meetings to Mexico (2011), conducted by PWC on behalf of Tourism Mexico
- The Economic Contribution of Meeting Activity in Denmark (2012), conducted by Visit Denmark.

Resorting to the data acquired from various sources, the research team developed a profile of the meetings industry encompassing the organisational activity, the volume of demand for events, and the expenditure profile. The last category was classified according to key categories of expenditure as well as the main segments of the market concerned (i.e. fairs, incentive events, and conferences). A preliminary study based on **an online questionnaire addressed to 5 groups of stakeholders** on the demand (meeting participants and exhibitors) and supply (meetings, organisers, site managers, and organisations managing meeting venues) sides was conducted. On (panel) questionnaire surveys, the Leeds Metropolitan University collaborated with Maximiles, a company capable of reaching over 2.4 million qualified participants, including 950,000 in the UK alone. Each of the respondent groups provided the researchers with a characteristic range of information:

- meetings, organisers – individual types of meetings (conference, fair, exhibition, or incentive event), total number of delegates, the number of delegates broken down by region/country of origin, duration of meeting, expenditure (facility rental, food and drink, equipment, administration, advertising, keynote speaker, insurance) and revenues (registration fees, sponsoring, government, and fees from providers)
- venue operators – number of meetings organised at a venue, number of meetings broken down into various categories (conference or exhibition; small, medium-sized, large), overall number of delegates (broken down into types of meeting), number of seats, venue type
- public administration and NGOs – expenditure of these bodies on supporting the meetings industry (advertising and promotion, subsidies), budgetary divisions and sources of revenue, changes in expenditure in recent years
- participants (and their friends and families) – number of nights per meeting, number of additional nights for private/professional reasons, number of friends/family members travelling with the delegates, total expenditure for participation in meetings
- exhibitors (and their friends and families) – number of nights per meeting, number of additional nights, meeting-related expenditure (venue rental, cost of construction of an exhibition unit/cubicle, equipment rental, electricity, advertisements, employment of temporary staff, exhibition materials, transport), other expenditure on products related to tourism (accommodation, shopping, transport, food and drinks, amusement, excursions).

The research team used publicly available statistical data and questionnaire data to draw up an expanded tourism satellite account for the country, called the meeting and tourism satellite account (MTSA) for the needs of the project. It was used for the estimation of the market sector gross value added (MGVA) with the use of a specific methodology and approach to the concept. The researchers estimated how much of the result depended on meetings, i.e. what percentage of the results (output) individuals and/or organisations purchased for the purposes of running or attending meetings and/or conferences. The demand side was studied through extended questionnaires whose results were presented in the report in the form of a participant profile. This profile also made it possible to estimate the purchases of each good by conference participants and persons accompanying them.

It is also worth mentioning the studies conducted with considerable energy in the United States by PricewaterhouseCoopers (PwC) which can provide a certain touchstone for national studies. Yet, as the methodological part of the report from the studies is not extensive and our report is limited in length, the approach is no more than mentioned here (more: *The Economic Significance of Meetings to the US Economy*, 2011).

The last, yet not the least, of the approaches is the one developed as a result of cooperation between a global organisation Destination Marketing Association International (DMAI) and Oxford Economics consulting company. It allowed the development of a research approach used in more than 80 US congress bureaux (cities/regions) and in a number of European countries, Switzerland included. The implementability of the approach was increased thanks to the creation of an IT tool in the form of a calculator that makes it possible to investigate the size of the meetings industry (three main sectors) on the basis of the aggregated economic impact of all the events carried out within the given area, and entered into the calculator. The task seems downright backbreaking, yet the tool gives access to the value of the impact multiplier adjusted to a given city. In the case of Kraków, this aspect of the tool proved of key importance due to the lack of statistical and regional studies for the city related to the tables of flows between the branches, and also due to the attempts at using good practice from Switzerland (project partner).

The literature survey (publications in international journals, books, and recent reports) conducted as part of the project made it possible to identify a number of approaches to the question of how to study the impact of tourism on the economy. As was mentioned in the introduction to the chapter, they are quite varied in character: both objectively in terms of the limitations of the studies carried out, and also in response to the preferences of the research teams and the expectations of the recipients of the results obtained. As a result, several research approaches (sometimes also called models) were identified, of which a handful were selected for further evaluation from the point of view of the objectives and specific traits of this project. The following criteria were assumed in order to evaluate each of the approaches.

1. What was the preferred (dominant) level of use of the approach?
2. What countries have been identified using the approach?
3. Was the approach used by a municipal, regional, or national convention bureau (CB – Convention Bureau or CVB – Convention & Visitors Bureau)?
4. Was the approach used on an international scale (beyond the borders of a single country)?
5. What organisation was responsible for the implementation of the approach?
6. What type(s) of categories were investigated (direct, indirect, induced)?
7. Was the approach developed implemented in the form of a calculator (software)?
8. Was the approach implemented in/by Switzerland (project partner)?
9. Can the approach be adjusted to the real-life context of Kraków (a Polish city and regional capital) within the timeframe of the project?
10. Can the approach be adjusted to the real-life context of Kraków (a Polish city and regional capital) within the budget of the project?
11. Is it possible to compare the significance of the results of the meetings industry (business tourism) in Kraków with other cities in the world?
12. Is it probable that this approach would be put into practice in other Polish cities in the coming 3 to 5 years?
13. Is it probable that this approach would be implemented at a national level in Poland in the coming 3 to 5 years?

A brief comparison of the approaches discussed is contained in table 1.

TABLE 1. ASSESSMENT AND SYNTHETIC COMPARISON OF SELECTED METHODOLOGIES OF INVESTIGATING THE ECONOMIC IMPACT OF BUSINESS TOURISM (THE MEETINGS INDUSTRY) ON A SPECIFIC AREA

Criterion\ Approach	TREIM	RIMS II	IMPLAN	Fischer	WTTC	DMAI	MPI	PwC
1. Dominant level of use	Region	Region	Region	Region	Country	Region, City	Country	Country
2. Countries applying	Canada	US	US	Switzerland	Global	Global	Canada, Denmark, UK	US, Mexico
3. Used by convention bureau	no data	no data	no data	No	no data	>80 globally	no data	no data
4. Used on an international scale	No	No	No	No	Yes	Yes	Yes	Yes
5. Organisation responsible for implementation	Ministry of Tourism and Culture	Bureau of Economic Analysis	USDA Forest Service	University	Oxford Economics for WTTC	Oxford Economics for DMAI	MPI Foundation	Price-waterhouse-Coopers US for CIC
6. Impact categories investigated (direct, indirect, induced)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
7. Calculator available	No	No	No	No	No	Yes	No	No
8. Used in Switzerland	No	No	No	Yes	No	Yes	No	No
9. Opportunity to adapt to Kraków – project timeframe	Low	Low	Low	High	Low	High	High	High
10. Opportunity to adapt to Kraków – project budget	Low	Low	Low	High	Low	High	Average	Low
11. Possibility to compare results with other cities in the world	Low	Low	Low	Low	Low	High	Average	Low
12. Probable implementation of this approach in other Polish cities	Low	Low	Low	Low	Low	High	Average	Average
13. Probable implementation of this approach in Poland (at the national level)	Low	Low	Low	Low	Average	High	High	Low

Source: Own study.

How much and on what do participants in business meetings spend while staying in Kraków?

5. METHODOLOGY OF THE RESEARCH CONDUCTED

5.1. RESEARCH AREA, SCOPE AND OBJECTIVES

The research conducted for the project was designed to fit into the administrative borders of the city of Kraków. Its material scope concerned economic aspects linked to the impact of the meetings industry (business tourism: with the distinction between congress and corporate tourism, and trade fairs and exhibitions) on the economy of the city, with reference to its classical elements, that is the value of the GDP, employment, salaries, and taxes obtained by the city.

The basic activity related to the preparation and implementation of any scientific study is the formulation of the research problem. The objective of the study conducted as part of this project was:

> **to define the impact of the meetings industry on the economy of Kraków**

Thus formulated, the goal of the study laid the foundations for asking the following research questions:

1. How long do tourists stay in Kraków because of business meetings (this concerns the stay strictly related to the event and the stay around the dates of the event: both before and after)?
2. Do business tourists stay in Kraków on their own or with an accompanying person/accompanying persons?
3. How much do participants in business meetings spend while staying in Kraków, and what on?
4. Where do participants in business meetings held in Kraków sleep?
5. How many days do group business events in Kraków last?
6. Are the costs of the organisers, agents, and operators of the venues in which business meetings in Kraków are held aligned with the expenditure of the participants?
7. How many people work providing services for business events in Kraków?
8. What is the GDP of the meetings industry in Kraków?
9. What stream of taxes and other revenue reaches the city's treasury thanks to the meetings industry?
10. What is the estimated total of the salaries in the meetings industry in Kraków?

5.2. STUDY TIMETABLE

Project implementation was envisaged over a period of 30 months and comprised four task packages. The first package covered primarily an analysis of Polish and international literature concerning the questions envisaged in the project and the identification of the available statistical data related to the selected types of business in the Kraków economy, tourist traffic (tourist economy) and meetings sector. The Swiss partner was then consulted on the information collected to see whether it met the intended objectives of the project. The second task package consisted of designing the preliminary methodology of analysis, organisation of the training and consultation workshops, and preparation of the assumptions for the pilot surveys (study tools and sample selection). The third package consisted in an external company (not part of the project team) carrying out a pilot questionnaire study. The collective source data were then analysed and investigated further, and became the working material examined during workshops with the Swiss partner. The proposed amendments were incorporated into the methodology of the study, and the modified questionnaires were put out to consultation with representatives of the Kraków meetings industry. The entire fourth task package was devoted to the main questionnaire survey (also carried out by a body external to the project team), analyses related thereto, consultations with experts from selected fields, and the development of the final results. The last task package was of a horizontal nature, and concerned the planned marketing activities covering the preparation of content for the first and second workshop, a study visit in Switzerland for representatives of the Kraków sector, a visit by foreign journalists in Kraków focused on becoming familiar with the infrastructure and strong points of the city, and getting to know the Kraków businesses that provide services at various types of business meetings.

5.3. SELECTION OF THE SAMPLES FOR THE PILOT AND MAIN STUDIES

The subchapter presents the assumptions concerning the selection of the sample for the pilot and main studies designed by the Foundation of UEK team. Both the questionnaire-based surveys were conducted by external bodies which were given the task of meeting the requirements set for the proposed sample. Thus the pilot survey was to be conducted within the borders of the city of Kraków in the 4th quarter of 2012 and the 1st quarter of 2013, during at least 12 business meetings, including a minimum of 6 events from the congresses, conferences, seminars and symposiums group, at least 4 corporate meetings (training sessions, courses, workshops, incentive events), and at least 2 events of the exhibition and/or fair type (both B2B and B2C) held in an exhibition and fair venue whose operator is a member of the Polish Chamber of Exhibition Industry (PCEI).

The test sample in the pilot project was to be composed of 4 groups of respondents:

a group composed jointly of at least 200 participants of the business meetings specified above, broken into congress, conference, seminar and symposium participants, participants in corporate meetings, and participants in (B2B and B2C) events, and visitors to fair type events broken down into participants from Poland and abroad, and also participants of events held in the following sectors: medical, humanities, technical, ICT, and economy and politics

1. a group composed of at least 7 people representing the venues in which the plenary sessions of the 12 business meetings specified above were held

2. a group composed of at least 10 exhibitors (of which at least 5 are exhibitors at fairs)

3. a group composed of at least 12 agents (including PCOs) and organisers (e.g. association, a unit of an institution of higher education) related to the implementation of the business meetings specified above.

4. In the pilot project, the external company selected through a tendering procedure carried out research during 16 events and conducted questionnaire-based interviews with 265 participants from the demand side of the meetings industry.

Although similar assumptions were made for the sample selected for the main survey conducted from the 4th quarter of 2013 to the 2nd quarter of 2014, the experience obtained made it possible to formulate more precise requirements for the survey. It was assumed that the survey should be conducted during at least 84 business meetings specified according to 4 criteria: **type** (*rodzaj*; trade fairs and exhibitions, congresses and conferences, incentive events, corporate events), **scope** (*zasięg*, national and international), **sector** (*branża*, medical, humanities, technical, ICT, economy and politics), and **size** (*wielkość*, small, that is up to 400 participants, and large, that is above 400 participants). As far as the division of meetings of the trade fairs and exhibitions type (minimum 4 altogether) is concerned, it was required that at least 3 of the B2B or B2C fairs and events were to be held in a fair and exhibition venue whose operator is a member of the PCEI, with at least 2 of the events of the B2B type and at least 2 of the B2C type. As far as congresses and conferences, incentive events, and corporate events (minimum 80 altogether) were concerned, it was required that at least 40 of them were national and 40 were international (A meeting in which at least 5% of participants are foreigners who represent at least two countries outside Poland is considered an international one.), at least 30 were large (with the number of participants exceeding 400 people), and at least 15 were small (with up to 400 participants). Furthermore, the events from the congresses and conferences group (with seminars and symposiums also being included) had to include at least four 2-day meetings, at least 20 meetings exceeding the length of two days, and at least 20 one-day meetings. There were to be at least 20 events from the medical sector, and also 20 from the technical sector, and 20 from the ICT one, with at least 10 events in the humanities and as many in economics and politics. The sample for the study was to be composed of five groups of respondents connected to the events specified above:

1. a group of visitors to trade fairs and exhibitions

2. a group of exhibitors at trade fairs and exhibitions

3. a group of at least 1500 participants in the business meetings defined above of the following types: congresses and conferences, incentive events, corporate

events from which at least 1000 participants were to come from Poland and at least 500 from abroad

4. a group of at least 84 organisers (e.g. associations, university units, business) and agents (including PCO – Professional Congress Organisers) involved in the organisation of the specified meetings (should the organiser point to a PCO company as one supporting the organisation of an event, it was required that the study should also cover the PCO)

5. a group of at least 84 organisers representing the venues on whose premises the plenary sessions of the specified meetings were held.

Finally, the main survey was conducted on a sample of 92 meetings. The questionnaires were filled in by 1294 entities on the demand and supply sides of the meetings industry in Kraków. Unfortunately, the survey did not reach the participants in all of the events. Moreover, the survey questionnaires were not returned by all the organisers of the events covered by the study and managers of venues hosting them. This situation can be explained by many circumstances that can possibly be eliminated or at least mitigated in future.

5.4. THE QUESTIONNAIRES AND METHODOLOGY OF ANALYSIS

The survey made use of five different questionnaires addressed to five different groups of respondents – bodies operating in the meetings industry market. The first question was addressed to the organiser of the event and (in some cases) to the professional congress organiser (PCO). The goal of this questionnaire was to define the volume and structure of funds they had at their disposal for the organisation of the event; it was assumed that these funds originated from two main sources: the contributions of the participants and external cofinancing (in the case of corporate events, it was assumed that the first and second categories are, as a general rule, absent and the financing is provided by the organiser – the corporate entity). The second questionnaire referred to the operator/venue hosting the given event. This could be a hotel, an institution of higher education or a museum, but also a conference venue or a restaurant furnished with an appropriate infrastructure. The goal of this questionnaire was to analyse the expenditure (listed by the organiser) from the point of view of funds allocated to the renting of the room (venue) and catering and accompanying events (if any). The other questionnaires were addressed to the participants from the demand side of the market. They investigated participants in meetings and events (questionnaire No. 3) and also visitors to trade fairs and exhibitions (questionnaire No. 4) and exhibitors at these events (questionnaire No. 5). Each questionnaire included an introduction, key questions, and identification questions which made it possible to determine the profile of the given body. The participants (visitors and exhibitors included) responded during the given event (in the case of events exceeding one day, the polling of information from the congress, conference, business events, and further participants took place on the second day). The organisers and venue operators were reached in turn within seven days from the completion of the meeting or event. The questionnaires presented were used during the study of meetings and events whose sample was defined on the grounds of the volume and structure of the meetings industry in Kraków. The pertinent data was taken from *Turystyka MICE w Krakowie* and *Przemysł spotkań w Krakowie* reports, and PCB POT studies (2008–2013).

The selected methodology makes use of the currently binding classification of the national economy (Polish Classification of Activities, *Polska Klasyfikacja Działalności*, PKD 2007) and singles the meetings industry out from it in a framework approved by the Statistical Office in Kraków to enable it to be used in calculations related to the tourist economy of the city (see: *Gospodarka turystyczna w Krakowie*, 2011), i.e., it assigns those types of business activity to the meetings industry that produce products characteristic of tourism and products purchased regularly or incidentally by some or all of the participants in tourist traffic (G01–G07). Nevertheless, due to the specific nature of the meetings industry involving also forms of business activity (and goods and services corresponding to them) that are not characteristic of typical tourism (cultural, pilgrimage, leisure, and other forms of tourism), a decision was reached to expand the range of types of activity admitted by the Statistical Office in Kraków by one more group (G08). The types of activity that the area of the meetings industry approved for the calculations made later in the document are presented in Table 2.

Remembering that to determine the importance of the meetings industry for the economy of Kraków you first

TABLE 2. SUBCLASSES OF THE PKD 2007 USED IN THE ANALYSIS OF THE MEETINGS INDUSTRY

Subclass symbol	Subclass name
Group 01 Handicraft, retail sale	
47.71.Z	Retail sale of clothing in specialised stores
47.72.Z	Retail sale of footwear and leather goods in specialised stores
47.75.Z	Retail sale of cosmetic and toilet articles in specialised stores
47.77.Z	Retail sale of watches and jewellery in specialised stores
47.78.Z	Other retail sale of new goods in specialised stores
47.79.Z	Retail sale of second-hand goods in stores
Group 02 Hotels	
55.10.Z	Hotels and similar accommodation
55.20.Z	Holiday and other short-stay accommodation
55.90.Z	Other accommodation
Group 03 Restaurants	
56.10.A	Restaurants and other stationary food service activities
56.10.B	Mobile food service activities
56.21.Z	Event catering activities
56.30.Z	Beverage serving activities
Group 04 Transport	
50.30.Z	Urban and suburban passenger land transport
49.31.Z	Taxi operation
51.10.Z	Other passenger land transport not elsewhere classified
49.32.Z	Inland passenger water transport
49.39.Z	Passenger air transport
52.21.Z	Service activities incidental to land transportation
77.11.Z	Renting and leasing of cars and light motor vehicles
Group 05 Travel agents, guides	
79.11.A	Travel agency activities
79.11.B	Tourist agent activities
79.12.Z	Tour operator activities
79.90.A	Courier and tourist guide services
79.90.B	Tourist information activities
79.90.C	Other reservation service and related activities not elsewhere classified
Group 06 Culture	
59.14.Z	Motion picture projection activities

Subclass symbol	Subclass name
90.01.Z	Performing arts
90.02.Z	Support activities to performing arts
90.03.Z	Artistic creation
90.04.Z	Operation of arts facilities
91.02.Z	Museums activities
91.03.Z	Operation of historical sites and buildings and similar visitor attractions
Group 07 Recreation, Physical well-being	
91.04.Z	Renting and leasing of recreational and sports goods
93.13.Z	Botanical and zoological gardens and nature reserve activities
93.19.Z	Fitness facilities
93.21.Z	Other sports activities
93.29.Z	Activities of amusement parks and theme parks
96.04.Z	Other amusement and recreation activities
77.21.Z	Physical well-being activities
Group 08 Creative industries and other activities	
18.12.Z	Other printing (books, catalogues, materials etc.)
18.13.Z	Pre-press and pre-media services
18.14.Z	Binding and related services
18.20.Z	Reproduction of recorded media
58.11.Z	Book publishing
58.19.Z	Other publishing activities (publication of catalogues, advertising materials, etc.)
73.11.Z	Advertising agencies
74.10.Z	Specialised design activities (internal decoration activities)
74.30.Z	Translation and interpretation activities
82.30.Z	Organisation of conventions and trade shows

Source: Own study based on: *Gospodarka turystyczna w Krakowie*, 2011 and PKD 2007.

need to account for the impact of the primary demand, i.e. tourists arriving in the city and spending their money there (Seweryn, 2010, p. 251), attention was focused on the results of studies conducted among:

- congress, training, seminar, corporate event, incentive event, etc. participants
- visitors to trade fairs and exhibitions, and
- exhibitors at fairs.

The respondents reported the value of various categories of expenditure they incurred in Kraków related to participation in the meeting held there. Each of the categories was classified into one of the eight groups of the Kraków economy specified above. For example, expenditure on shopping (e.g. souvenirs, clothes) was entered into Group 01 (as these are the incomes of businesses classified in section 47 of the PKD), expenditure on accommodation – into Group 02 (as these are the incomes of businesses classified in section 55 of the PKD), expenditure on taxis – into Group 04, etc.

Information acquired during the survey from:

- event organisers, and
- operators of the venues where they were held (hotels, institutions of higher education, culture and institutions, the centres, etc.)

concerning the costs that were incurred in relation to meetings were used only and solely to fine-tune the expenditure in the three previously mentioned participant groups. **It must be clearly underlined that**

The expenditure identified by the participants and the costs cited by the organisers (PCOs included), and operators were not added together!

Collection of data from all the businesses involved in the meeting was associated with the need to estimate the rough value of participants' expenditure against the costs incurred in holding individual events. Moreover, the organisation costs were used to calculate the potential for the cofinancing of events by external sponsors, for example, public institutions, businesses operating in the given sector and having stands at events, and advertising/publicity during meetings. It was assumed that the organisers did not incur a loss organising an event, i.e. the revenue from participants and other entities paid for the meeting related expenditure. If, for example, the participants' expenditure on the conference fee did not cover the costs incurred by the organiser in preparing and managing the event, it seems logical to expect that such a sponsoring took place.

As participants in various forms of group business meetings and events, visitors to trade fairs and exhibitions, and exhibitors at fairs reported the number of accompanying persons (partners, children, friends and acquaintances, etc.), it was possible to determine the percentage of participants arriving in the city for the event who had accompanying persons and to account for these additional people (besides the number registered by the Poland Convention Bureau of the Polish Tourist Organisation, PCB POT) in some expenditure items (e.g. food and drink and related services outside the event, transport, culture) generating revenue for the city.

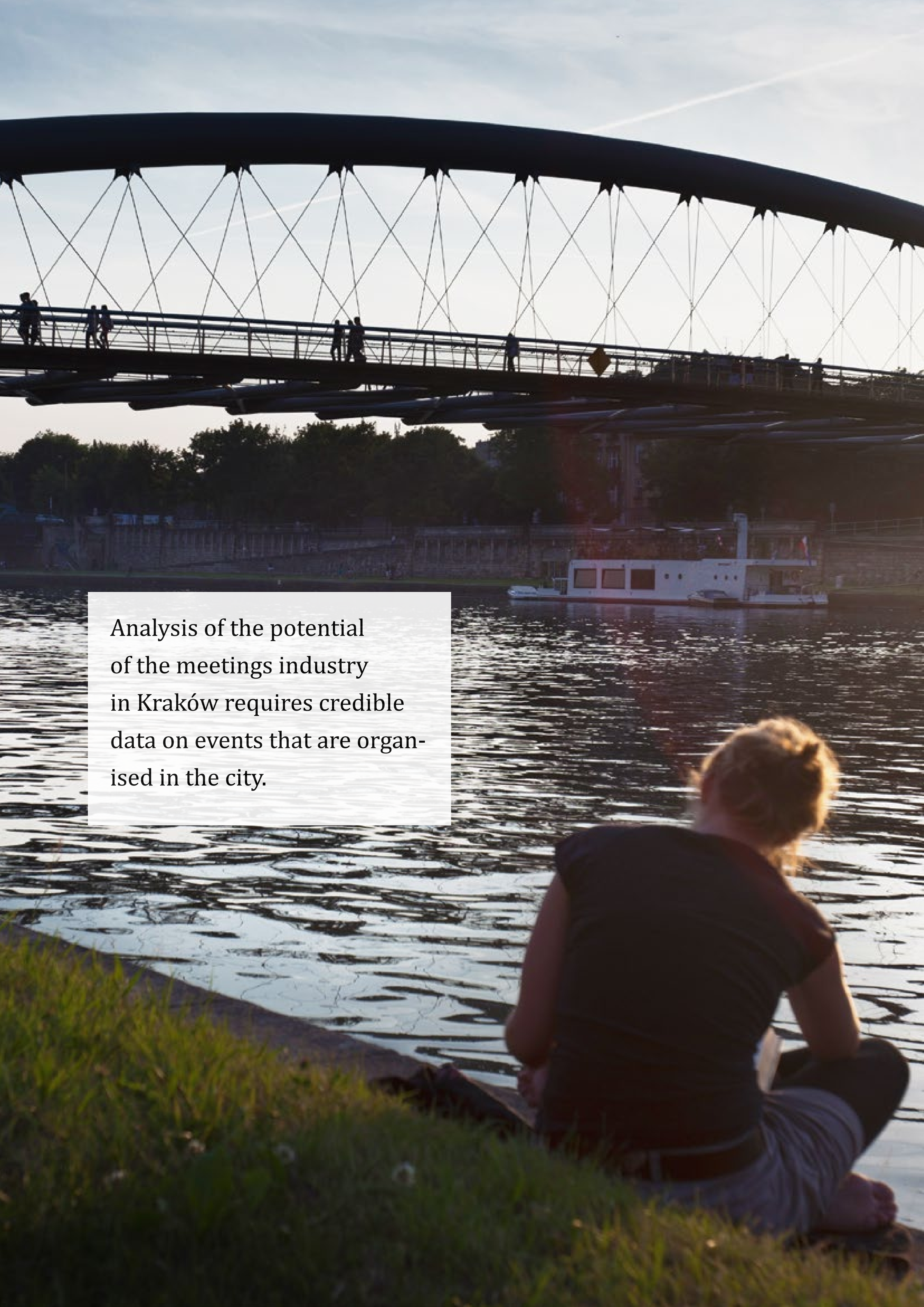
Analyses were conducted for each of the groups listed in the table above (from 01 to 08) and the primary share of the meetings industry – i.e. the direct effects (Niemczyk, Seweryn 2008, p. 259) were obtained from the information on the number of business meeting participants in Kraków in 2013 (according to PCB POT surveys and data from fair operators in Kraków), as well as information about the overall value of the revenue of businesses classified in groups 01 – 08 (which was acquired from the Statistical Office in Kraków).

As funds feeding the sector of the economy being examined participate in commercial turnover, the analysis of economic impact must cover, in addition to direct effects, also indirect and induced effects. Due to the lack of appropriate data in public statistics at the level of a city (municipality), these secondary effects (i.e. indirect and induced) were estimated by the application of multiplier values designed in accordance with the Tourist Economics model (calculated with the use of the DMAI calculator purchased for the project) relying on international standards. Yet when referring to Kraków, this means that the values of the tourist multiplier approved for the Kraków meetings industry were calculated in a similar manner to the way it is done for other meetings industry destinations all over the world.

One also needs to mention that there are so-called "leaks" in the circulation of the money brought and spent by a tourist within a given destination area. This means an outflow of money from the destination occurs which results in "losses" of the multiplier effect in the area. Yet, as long as the demand of local businesses, authorities, and residents can be satisfied by the producers from the destination, the chain of direct and induced effects does not end as it generates cash flow and revenues within the area. In the study conducted by our team the leaks mentioned above became visible at the level of direct effects (they were accounted for by the narrowing of the area of search for data in the questionnaires to expenditure for the benefit of Kraków businesses alone) indirect and induced effects (they were accounted for by the application of the Tourism Economics model). Summing up, one can claim that the methodology of studies was designed to make it possible to attain the intended goal of the project correctly.

5.5. LIMITATIONS ASSOCIATED WITH THE STUDIES CONDUCTED

A number of limitations were associated with the carrying out of a study of the impact of the meetings industry on Kraków. The first worth mentioning was the fact that analysis was carried out at the level of the city, which meant that there was a lack of statistical data collected by public institutions for the selected level of disaggregation. A consequence of focusing the attention on events in a city area was the inaccessibility of a table with flows between branches (being the second limitation), which resulted in the need to assume a proprietary methodology of studies, and a simultaneous lack of the possibility of direct calculation of the value of the tourist multipliers for the meetings sector. For this reason, the study makes use of multiplier values determined for Kraków in line with the Tourism Economics model (based on the DMAI calculator purchased for the project), adjusted to the situation in Kraków and based on international data analysis standards. Another major limitation was the fact that there were obstacles in collecting data about the number of meetings in Kraków, and a refusal of many meeting and event organisers to have the questionnaire survey conducted during the events they organised.



Analysis of the potential of the meetings industry in Kraków requires credible data on events that are organised in the city.

6. SIZE AND STRUCTURE OF THE MEETINGS INDUSTRY IN KRAKÓW IN 2008–2013

6.1. PRELIMINARY REMARKS

Analysis of the potential of the meetings industry in Kraków requires credible data on events that are organised in the city. The number of meetings in the city had already begun to rise in the 1990s, and increasing in association with this was a general understanding of their significance for Kraków; yet there were no data that would make it possible to assess the scale of the phenomenon in terms of quantities as for a long time past data had simply not been collected.

In 2009, the Kraków Convention Bureau of the Municipal Office of Kraków reached a decision that this cognitive gap needed filling and appropriate data needed to be collected. The task was entrusted to a team from the Foundation of the Kraków University of Economics. From 2009 to 2012, the team collected and processed information concerning the MICE market in Kraków, with some account even being taken of the year 2008 in certain aspects. The results were published in the annual *Turystyka MICE w Krakowie* reports. The data, or at least a part of it, was passed to the Poland Convention Bureau and was used in the annual *Przemysł spotkań i wydarzeń w Polsce* reports.

The format in which the national data were gathered in Poland was somewhat different from that adopted in Kraków. The analyses of the Poland Convention Bureau were disseminated throughout the country. An application was designed for individual entities to be able to provide information on the events they organised online and these were organised in their venues, a practice strongly encouraged by the Poland Convention Bureau and local convention bureaux. So as not to duplicate the studies and conscious that operators have many other duties, in 2012 Kraków made do with the results acquired internationally in the process of voluntary data provision by businesses throughout Poland. As a result, the 2012 volumes in the meetings industry were far lower than in the preceding years, which allows one to conclude that only information about some meetings was entered into the database. Besides negative consequences for Kraków in terms of its image (information in *Przemysł spotkań i wydarzeń w Polsce* report), this artefact results from the different data collection techniques and makes comparisons of data from 2008–2011 incompatible with the data from 2012–2013. An additional difficulty stems from the assumption of different events categories in the Poland Convention Bureau in 2012 and 2013.

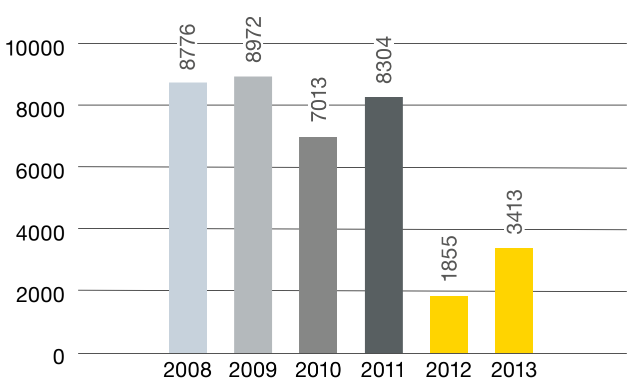
Despite the reservations made above, it would be impossible not to emphasise that the data aggregated for Kraków for a number of years make it possible to obtain a picture of the meetings industry in the city with primary attention on its demand side.

6.2. THE NUMBER OF EVENTS

In each of the years 2008–2011, approximately 8000 business events were organised in Kraków in the venues of the operators who agreed to participate in the survey (see: Fig. 1). One must re-emphasise here that the drop in 2012 resulted from a change in the data gathering methodology and does not reflect the actual condition of the market.

One should certainly not believe that all the meetings organised in Kraków were entered into the 2013 database, and for certain much the same happened in 2012. Although one needs to acknowledge that major progress was achieved and appreciate the effort of those who became involved in the processes of data collection.

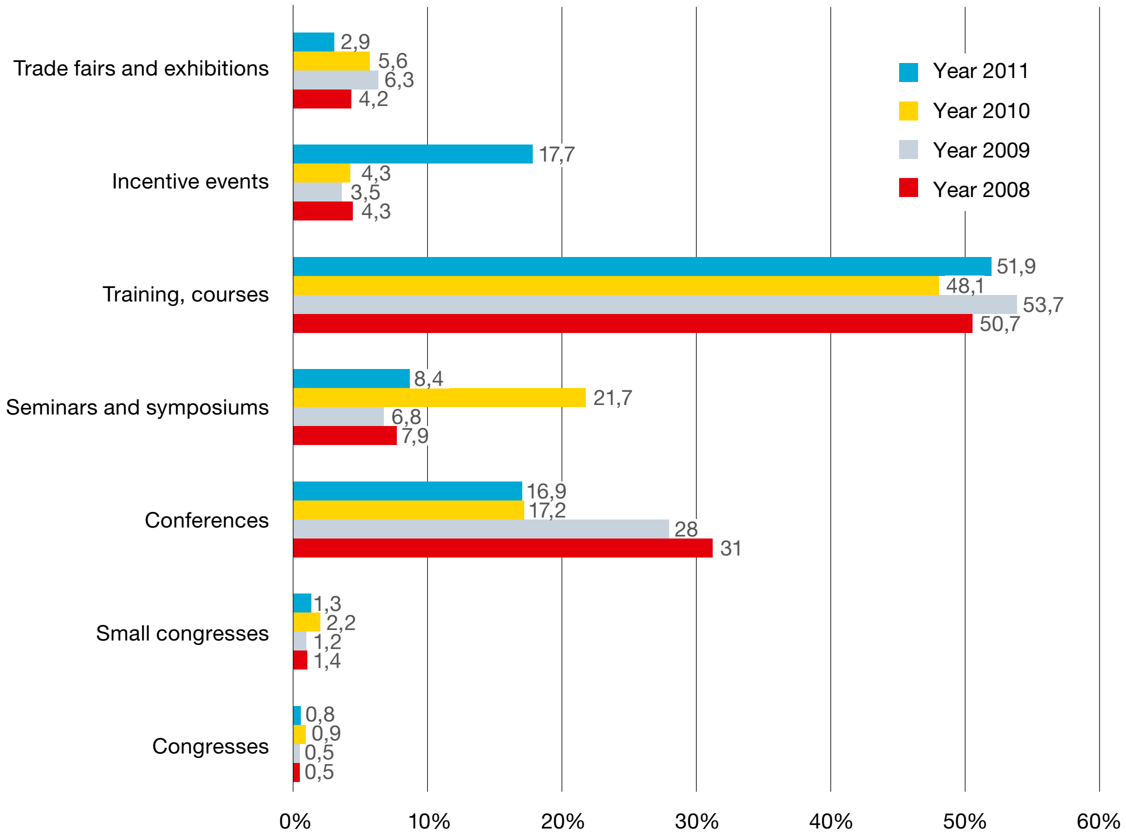
FIG. 1. THE NUMBER OF BUSINESS EVENTS ORGANISED IN KRAKÓW IN 2008–2013



Please note: the data for 2012 and 2013 were gathered according to different methodology, which does not allow comparison with previous years

Source: Own study based on data from the following reports: Borodako *et al.*, 2009; Borodako *et al.*, 2010; Borodako *et al.*, 2011, and data made available by PCB POT.

FIG. 2. STRUCTURE OF MEETINGS INDUSTRY EVENTS IN KRAKÓW IN 2008–2011



Source: Borodako *et al*., 2011, p. 33.

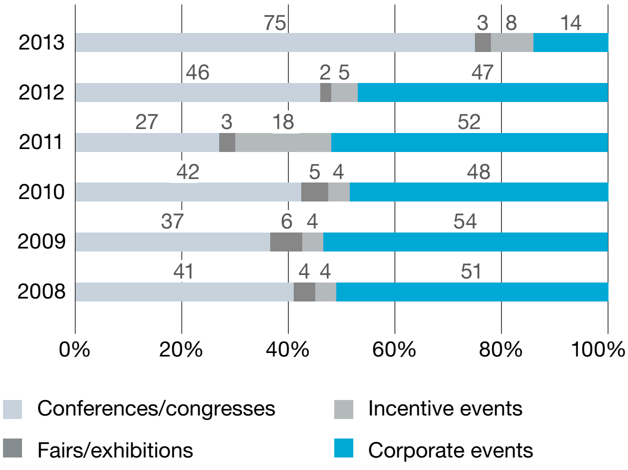
It needs to be emphasised that the number of participants in the surveys conducted in 2008–2011 included all the most significant operators in the city, so that the numbers from that time may be considered true to the actual situation, even though still undervalued. Nevertheless, due to a different rate of return in individual years, structural analyses are more correct factually in determining the trends than quantitative analyses.

6.3. STRUCTURE OF EVENTS

It is also interesting from the cognitive perspective to define the structure of business events in Kraków. The comparisons for 2008–2011 were performed using a breakdown into the categories used in the surveys from that time (see: Fig. 2).

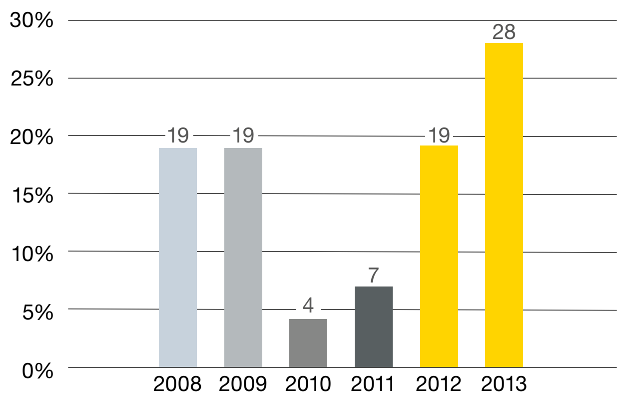
In the four years investigated, the structure underwent slight transformations. Training sessions and courses were the dominant form of meetings in Kraków in all the years. The basic change in the structure consisted of an increase of over 13 percentage points in the number of incentive events in 2011, as compared to the previous years. The share of conferences in the overall number of business meetings in 2010 and 2011 remained at the level of several percent which represented a drop as compared to the two previous years; by 14.1 percentage points when compared to 2008 and by 10.8 percentage points when compared to 2009. In 2011, the share of seminars and symposia dropped by over 13 percentage points as compared to the previous year, yet it stabilised at a level close to the years 2008 and 2009, that is below a tenth of all events. Trade fairs and exhibitions experienced a drop in their share of all business events organised in Kraków to the lowest level in the period investigated: i.e. to below 3%. The fall, as compared to 2010, amounted to 2.7 percentage points. There was still only a small representation of larger meetings in the city, with the share of congresses not exceeding 1% of all events, and 2% of small congresses.

FIG. 3. EVENT STRUCTURE OF THE MEETINGS INDUSTRY IN KRAKÓW IN 2008–2013 ACCORDING TO CATEGORIES APPROVED BY POT IN 2012



Source: Own study based on: Borodako *et al.*, 2013, p. 29; Celuch, 2014, p. 20.

FIG. 4. SHARE OF INTERNATIONAL EVENTS IN THE STRUCTURE OF BUSINESS EVENTS IN KRAKÓW IN 2008–2013



Source: Own study based on data from the following reports: Borodako *et al.*, 2009; Borodako *et al.*, 2010; Borodako *et al.*, 2011, and the data made available by PCB POT.

The picture that results from an attempt to compare structures in 2012 in a slightly more narrow type of classification provides an image similar to that from 2012, yet different from that for 2013 (see: Fig. 3).

The dominant form among the events categorised in this manner were corporate events which until 2012 had accounted for about every other meeting. The maximum differences in their share in the total number of events between individual years amounted to approximately 6 percentage points. The second most important category of events held in Kraków was conferences and congresses, whose share fluctuated from over 27% to over 45%. It must be noted that the year 2011 diverged somewhat from other years as in that year the share of incentive events was markedly higher (by several percentage points), and that of conferences and congresses lower (by a similar percentage) than in other years of the study. This might have been caused by the global crisis and its impact on tourism. The structure of meetings proved different again in 2013. Three in every four events were conferences and congresses. It seems, however, that no such drastic change could take place within one year. On the other hand it must be understood that the structure of businesses entering data in 2013 determined the structure of the events which made comparisons with previous years difficult, so one should not go too far in drawing conclusions.

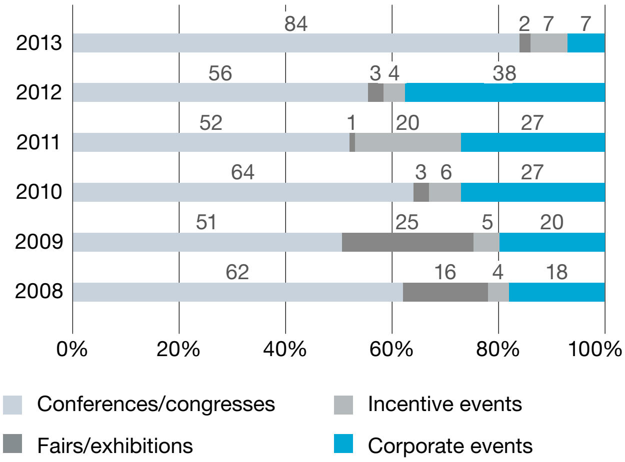
Whether any event is national or international is of major significance for the receiving region, and the definition of an international event is very material here. In the studies it was assumed that participants in an international event must come from at least 3 countries. International events in the venues surveyed were more numerous in the first two years, and less frequent in the following two (see: Fig. 4).

The increase in the share of international events in 2013 is a perfect indicator for the sector and for Kraków, although this value must be approached with a great deal of caution on account of the above-mentioned reservations.

The data for Kraków in 2008–2013 are presented in Fig 5 broken down into individual types of international event.

The structure of international events throughout the period was dominated by conferences/congresses, with their dominance being most marked in 2013 when their share climbed to as high as 84%. The share of corporate events continued to grow systematically until 2012, a year that marked a significant growth compared to 2008 (by approximately 20 percentage points) which resulted in it reaching a share of 38%. In turn, their share decreased drastically in 2013 (to 7%). The share of fairs/

FIG. 5. THE STRUCTURE OF INTERNATIONAL EVENTS IN KRAKÓW IN 2008–2013



Source: Own study based on: Borodako *et al.*, 2013, p. 23, and the data made available by PCB POT.

exhibitions in the total number of international events was highest in the first two years, and in 2009 they even accounted for as much as a quarter of all international events.

In the following years, fairs/exhibitions made up between 1% and 3% of the international events. The share of incentive events in all international meetings ranged from 4% to 6% in the three initial years. In 2011, their participation grew significantly and they accounted for a fifth of all the events. In the following two years, the share of incentive events returned to the earlier, lower level reaching 7% in 2013.

6.4. SEASONALITY OF EVENTS IN THE MEETINGS INDUSTRY MARKET

A significant variable for the receiving region is the period when the events take place. In a manner analogous to the previous sections, the listings below specify the percentage of events in individual months rather than their count (see: Fig. 6) for reasons of methodological correctness.

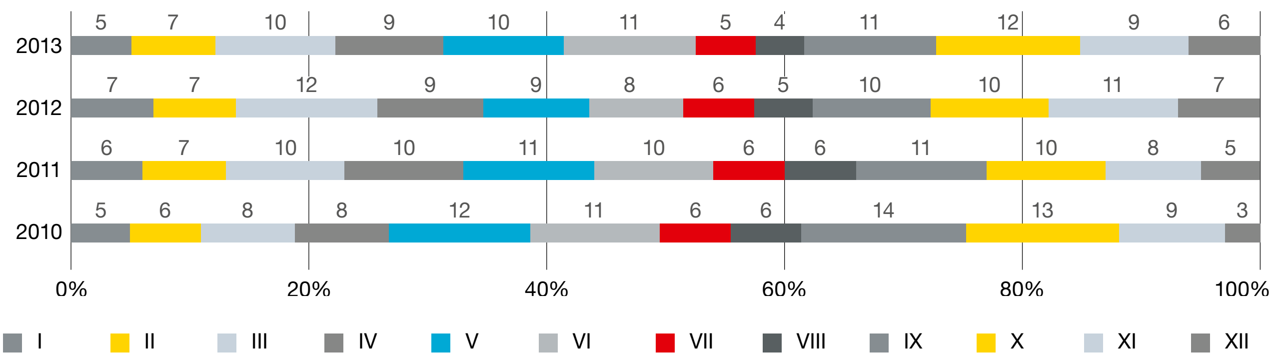
Two peaks are visible in Kraków in the years investigated: a somewhat higher autumn one (September, October), and a somewhat lower yet longer summer peak (March – June). It needs noting that the autumn season extended into November in 2012–2013. In effect, a fairly balanced distribution of events was obtained, ranging from 9% to 11% of all events from March to June and from September to November. Traditionally, and in accordance with the literature, the summer and winter months were less frequently selected (5%–7%). Generally, the data provide positive information about the reduction of seasonality of tourism in Kraków thanks to the demand generated by the meetings industry.

6.5. DURATION OF MEETINGS AND EVENTS

The duration of events is important for the region from the economic point of view,. The data for Kraków in the original breakdown of events for the period from 2008 to 2011 are presented in Fig. 7.

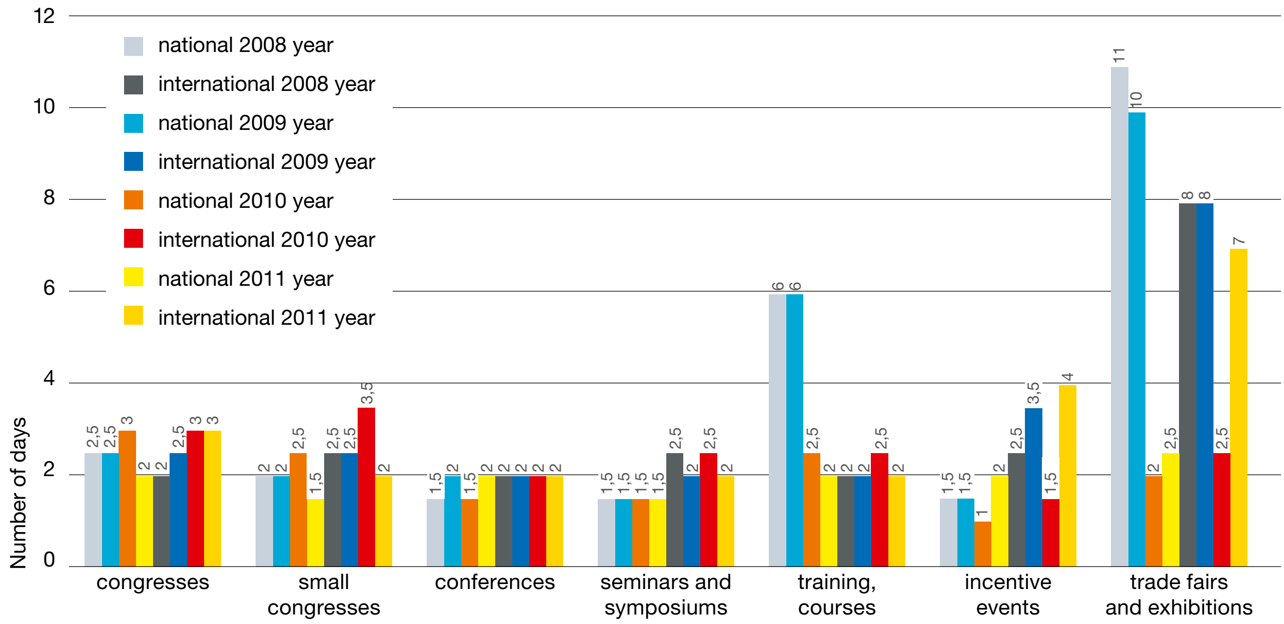
At the time, national events lasted for somewhat shorter durations than international ones. The longest duration

FIG. 6. SHARE OF INDIVIDUAL MONTHS IN 2010–2013 IN THE ANNUAL TOTAL OF BUSINESS EVENTS ORGANISED IN KRAKÓW



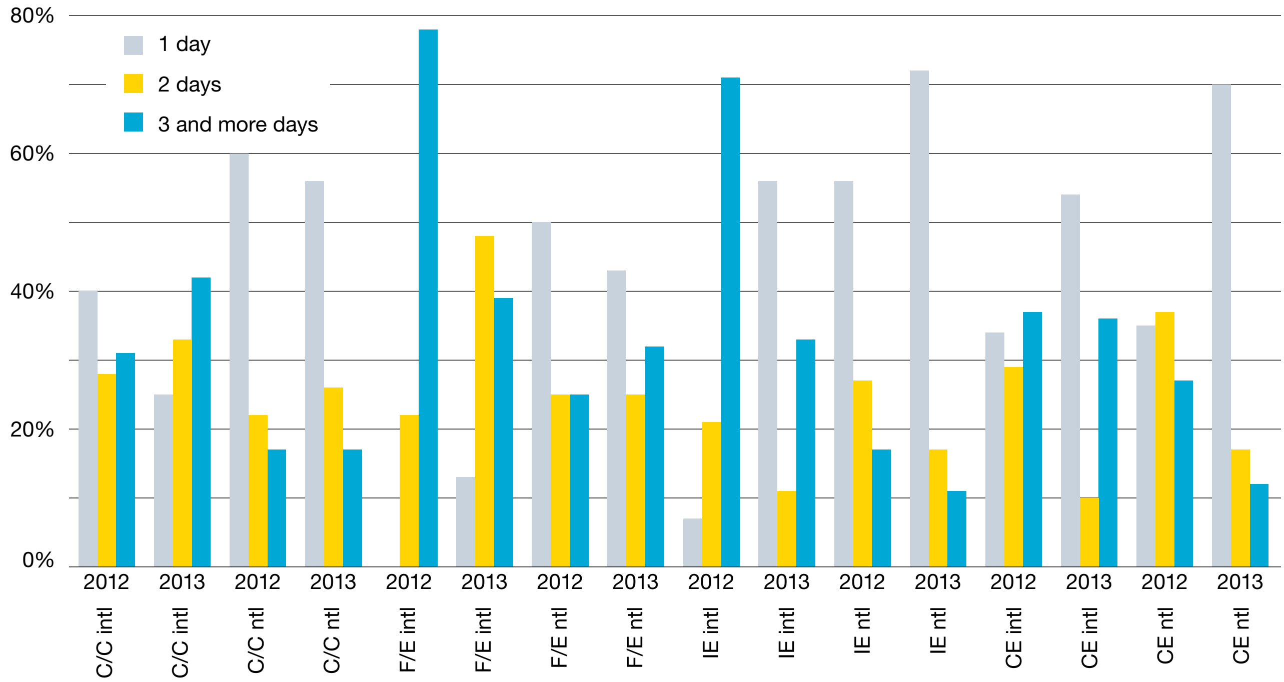
Source: Own study based on: Borodako *et al.*, 2013, p. 25, and data made available by PCB POT.

FIG. 7. DURATION OF MICE TOURISM EVENTS IN KRAKÓW IN 2008–2011



Source: Borodako *et al.*, 2011, p. 58.

FIG. 8. DURATION OF BUSINESS EVENTS ORGANISED IN KRAKÓW IN 2012–2013, BROKEN DOWN BY THE SCOPE AND CATEGORY OF THE MEETING



C/C –congress/conference, F/E – fairs/exhibitions, IE – incentive events, CE – corporate events

Source: Own study based on PCB POT database.

was generally characteristic of trade fairs and exhibitions: 2.5 days. Two days is an average length of incentive events, congresses, conferences, and training sessions and courses. The shortest time was spent on small congresses, and seminars and symposiums only lasted 1.5 days.

In 2011, the duration of international events was even more varied. The leader here was trade fairs and exhibitions which lasted on average for as many as 7 days. International incentive events were organised on average for 4 days. As a rule, congresses on the sites of operators covered by the survey lasted a day shorter. The average duration of the remaining meetings, that is small congresses, conferences, and seminars/symposiums, was 2 days.

The comparison of the duration of individual events in 2008–2011 makes it possible to state that conferences were the events with the most invariable duration in the period of the study. As a rule, they were organised for two days. That was the duration of international conferences in all the years of the study, while the national ones lasted for 1.5 days in 2008 and 2010. A similarly stable duration was characteristic of national seminars/symposia, which were organised for 1.5 days. The duration of international seminars and symposia ranged from 2 to 2.5 days.

In turn, the classification used in PCB POT studies (breaking the meetings down into three categories: one-day, two-day, and three-day or longer) made it possible to observe the following trends in 2012 and 2013 (see: Fig. 8):

One-day meetings were predominant among conferences and congresses: among national events, they accounted for more than one in two in both the years in question, and among the international events organised in 2012 – 40%. It must however be remarked that in 2013 it was the 3-day and longer events that had the largest share among the international conferences/congresses (over 40%).

There was a visible difference in length between national and international fairs/exhibitions. In 2012 international ones were primarily 3-day and longer events, and in 2013 2-day ones. By contrast, every other national event of the type organised in Kraków ended on the same day.

As far as national incentive events are concerned, they were primarily one day events in both 2012 and 2013, and the situation was similar for international incentive events in 2013. However international meetings in 2012 were atypical, being dominated by events lasting for 3 days or longer.

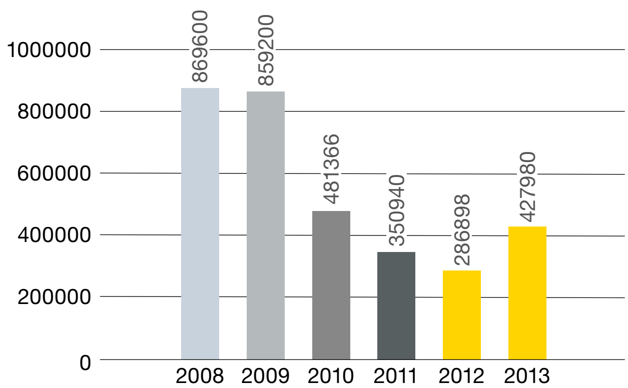
There were no clear trends visible in the duration of corporate events. In 2012, the distribution was fairly consistent as far as the duration is concerned independent of the national or international character. The only major difference was that the proportion of 3-day and longer international events was 10 percentage points higher. However both national and international events organised in 2013 were dominated by one-day events, with the dominance being significant among the national ones (with over 2/3 being one-day events).

6.6. NUMBER OF PARTICIPANTS

The number of participants (see: Fig. 9) is as important for the city's economy as the number of events, if not more important.

In as much as the data from 2012 cannot be compared due to a different methodology, the drops in the early years must be explained by a lower rate of return in 2010 and 2011, a change in the structure of events and the global economic crisis, which also had an impact on tourism

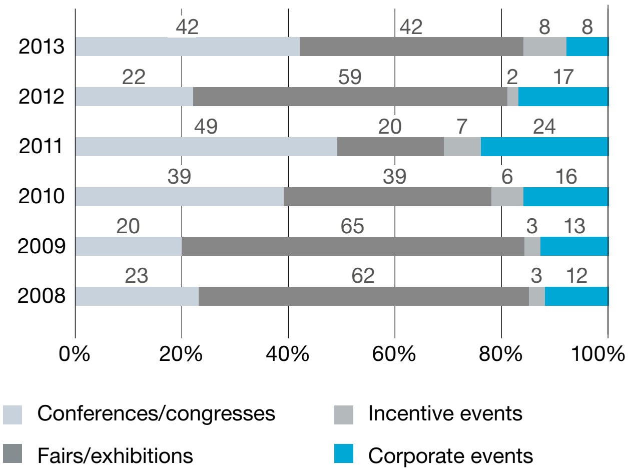
FIG. 9. THE NUMBER OF PARTICIPANTS IN BUSINESS EVENTS HOSTED IN KRAKÓW IN 2008–2013



Please note: the data for 2012 and 2013 were gathered according to a different methodology, which does not allow comparison with previous years

Source: Own study based on data from the following reports: Borodako *et al.*, 2009; Borodako *et al.*, 2010; Borodako *et al.*, 2011, and data made available by PCB POT.

FIG. 10. STRUCTURE OF BUSINESS EVENT PARTICIPANTS HOSTED IN KRAKÓW IN 2008–2013 BROKEN DOWN BY MEETING TYPE



Source: Own study based on: Borodako *et al.*, 2013, p. 32.

in Kraków. One should note that the data entered into the PCB POT database for 2013 records nearly 428,000 participants in Kraków meetings and events.

An analysis of participant structure makes it possible to state that the most numerous group of guests at Kraków business meetings throughout the entire period of the study were tourists coming to Kraków for business fairs and events (see: Fig. 10). Their share was approximately 2/3 in 2008, 2009, and 2012, while 2011 was an exception with visitors to fairs and events accounting for only a fifth of all the participants in meetings, while in the remaining years, participants in fairs and events accounted for approximately 40% of all participants arriving in Kraków for business meetings.

It should be noted that there was about the same share of participants in fairs/exhibitions and congresses/conferences in 2013, which was the result of an increase in the number of congresses/conferences in the city and of the number of participants in such events.

In the period in question, corporate events brought in several percent of all participants in meetings in Kraków. The year 2011 was an exception, when the percentage reached nearly a quarter of all the participants, with the other exceptional year being 2013, when they accounted for less than a tenth of the total. The lowest share in creating the demand in Kraków belongs to participants in incentive events. Their share was always in the single figures of per cent, with the highest value (8%) being achieved in 2013.

In conclusion, it must be stated that with respect to the numbers of participants in various types of group business meetings, it was and is fairs/exhibitions and conferences/congresses that are most important for the city.

7. VALUE OF THE EXPENDITURE OF THOSE ON THE DEMAND SIDE OF THE MEETINGS INDUSTRY IN KRAKÓW IN 2013

With respect to the main goal of the project, one of the most crucial questions in the questionnaire surveys conducted was to learn the value and purpose of expenditure of the demand side of the meetings industry in Kraków, broken down into three groups, i.e. participants in congresses and other group business meetings of similar character (congresses, conferences, seminars, symposiums, training sessions, workshops and other corporate events, incentive events), visitors to trade fairs and exhibitions, and exhibitors at fairs.

The information gathered during questionnaire-based interviews among participants in congresses and other meetings of similar character allows us to make the statement that their expenditure in Kraków primarily consists of paying the event participation fee (mentioned by more than 83% of respondents), for food (more than 2 out of 3 respondents), and for accommodation throughout the event (nearly 65%): see: Fig. 11.

The least frequent allocation of money by participants in congresses and other group business meetings arriving in Kraków is recreation (SPA, gyms, swimming pools, etc., with less than 3% of responses indicating that money was spent on this), and on accommodation before and/or after the event (approximately 7%).

As far as the value of expenditure is concerned, the largest amounts are spent on participation in group business meetings (on average PLN 730 per person, see: Fig. 12). The second most valuable item – accommodation during the event – was lower by nearly 50% and was approximately PLN 390. Relatively large amounts were spent by participants in congresses and other meetings of similar character on shopping (approximately PLN 220) and food (approximately PLN 160). The smallest sums were allocated to transport (under PLN 50) and unfortunately to culture (visiting the city, concerts, theatres, etc. – around PLN 70), and also to recreation (around PLN 110).

The second group of respondents were visitors to trade fairs and exhibitions. The information acquired during the survey proves that the greatest number of them (nearly 2 out of 3) spent money – which is worth emphasising – not on the fee for the fair but on food and drinks in the city (see: Fig. 13). Quite often the respondents also mentioned food and drink provided on the premises of the fair (nearly 45%) and transport (costs of travelling to the event – by approximately 46%). Nearly 41% of visitors to trade fairs and exhibitions used accommodation during the event, and only less than 2% used it before or after. Not unlike congress participants, the group only relatively rarely mentioned expenditure on recreation (4%) and culture (10%).

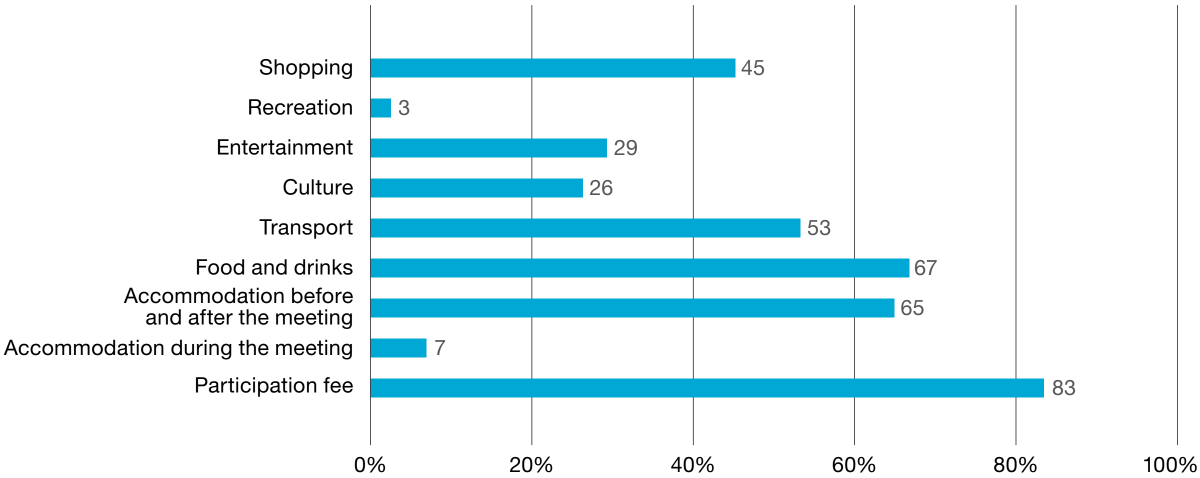
The analysis of average expenditure of business fair and exhibition visitors demonstrates that their largest outlay is on accommodation during the event itself (nearly PLN 240) and not on food and drink outside the fair premises (nearly PLN 115), which respondents mentioned most frequently. The expenditure on shopping in commercial centres and shops (nearly PLN 230) proved comparable to the level of expenditure for accommodation during the event (see: Fig. 14). While the amount spent on the fair admission fees (around PLN 30) was the lowest of the costs. A similar amount of money was spent by visitors on transport, food and drink at the fair, and culture (approximately PLN 40 each).

The last, third group of respondents of the demand side of the meetings industry were exhibitors at fairs. Nearly all people representing this group acknowledged that during their stay in Kraków they spent money on food and drink (see Fig. 15). A majority (over 70%) also spent it on accommodation during the event. Nearly every other respondent declared paying for transport and over 45% – for entertainment. The least numerous group were those who spent money on participation in integrative events, culture, and recreation (only around 4% each).

Average individual expenditure on food and drink (people representing the company at fairs/events or presenting the company's range to visitors) was, however, not the highest (see Fig.16).

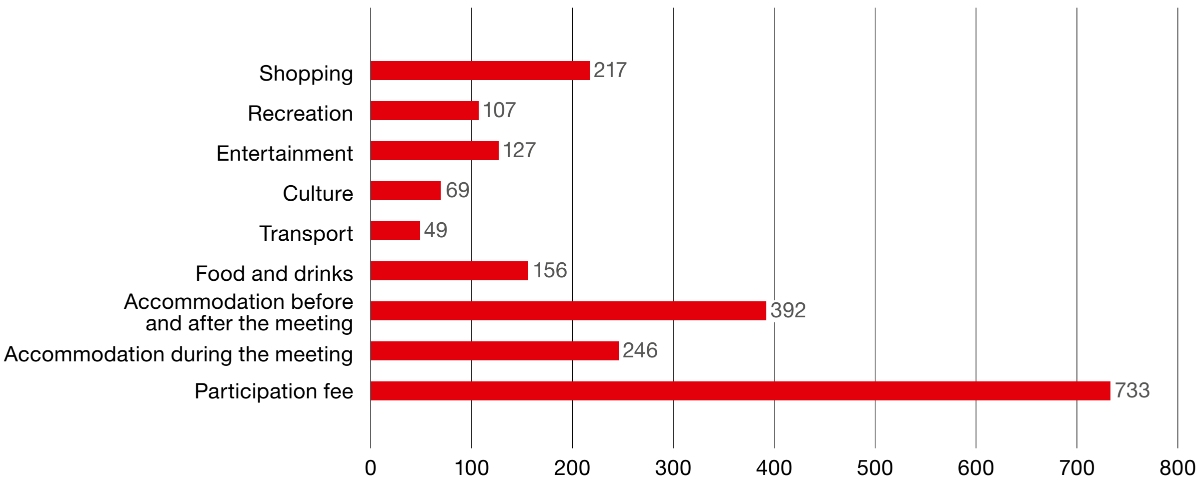
This was because the expenses related to accommodation during the event (close to PLN 820) were nearly 3 times as high. A relatively large amount of money was also paid for accommodation before and/or after the event (nearly PLN 580), shopping in commercial centres and shops (nearly 310 PLN per person), and on entertainment (pubs, nightclubs, etc. – in excess of PLN 220). It is

FIG. 11. SHARE OF PARTICIPANTS IN CONGRESSES AND OTHER MEETINGS OF SIMILAR CHARACTER IN KRAKÓW IN 2013 INCURRING EXPENDITURE DURING THEIR STAY IN THE CITY (BROKEN DOWN BY TYPE)



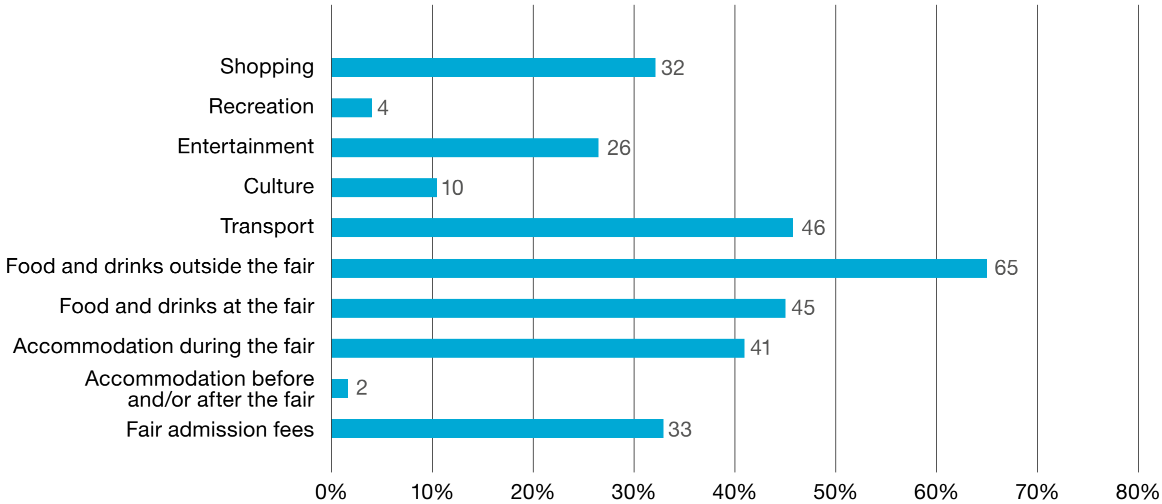
Source: Own study based on the surveys conducted.

FIG. 12. VALUE OF AVERAGE EXPENDITURE BY CONGRESS OR OTHER SIMILAR BUSINESS MEETING PARTICIPANT IN KRAKÓW IN 2013 (IN PLN PER CAPITA)



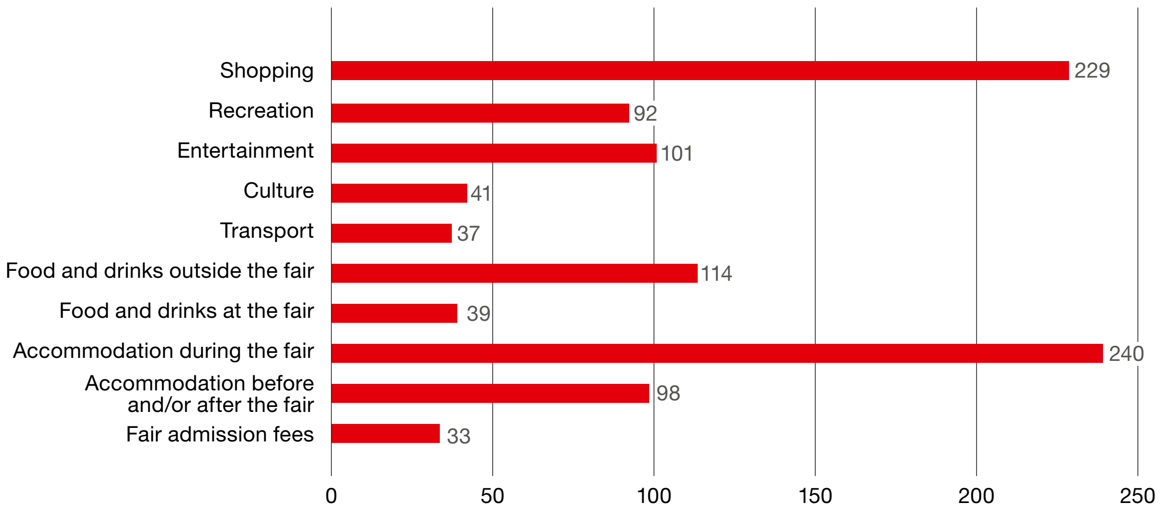
Source: Own study based on the surveys conducted.

FIG. 13. PERCENTAGE OF FAIR VISITORS IN KRAKÓW IN 2013 BROKEN DOWN BY EXPENDITURE TYPE DURING THEIR STAY IN THE CITY



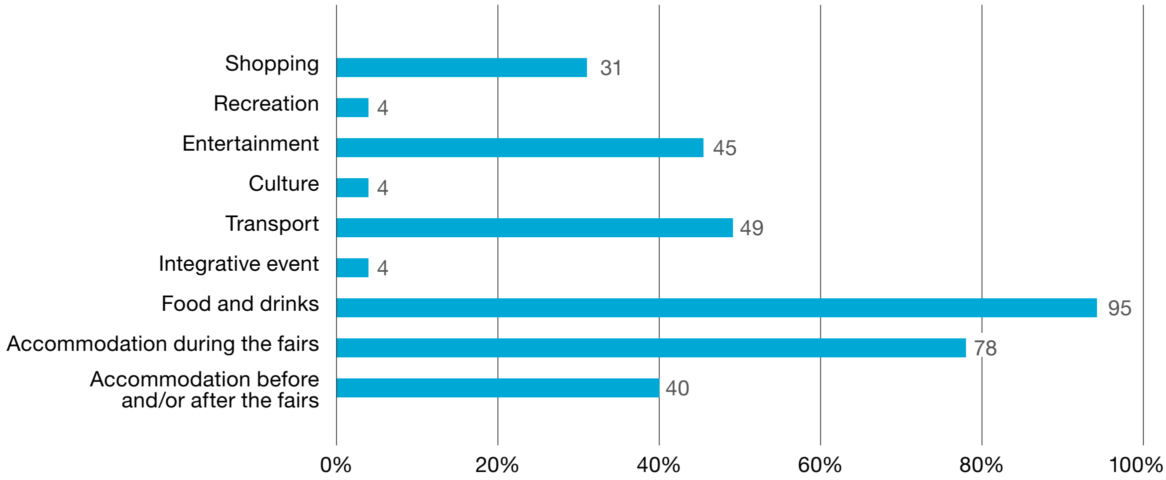
Source: Own study based on the surveys conducted.

FIG. 14. VALUE OF AVERAGE EXPENDITURE OF VISITORS TO FAIRS IN KRAKÓW IN 2013 (IN PLN PER CAPITA)



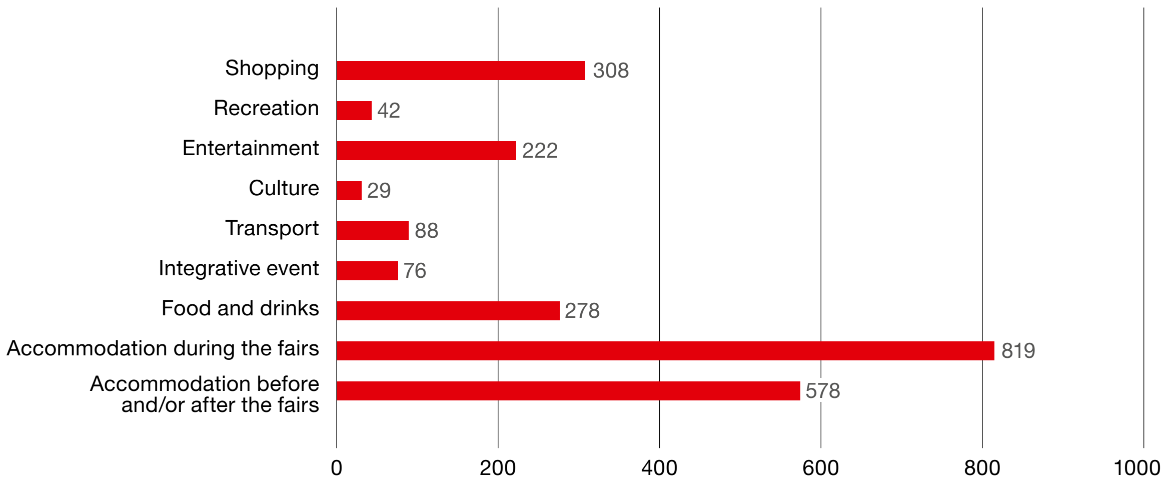
Source: Own study based on the surveys conducted.

FIG. 15. SHARE OF EXHIBITORS AT FAIRS IN KRAKÓW IN 2013 BROKEN DOWN BY TYPE OF PERSONAL EXPENDITURE IN THE CITY



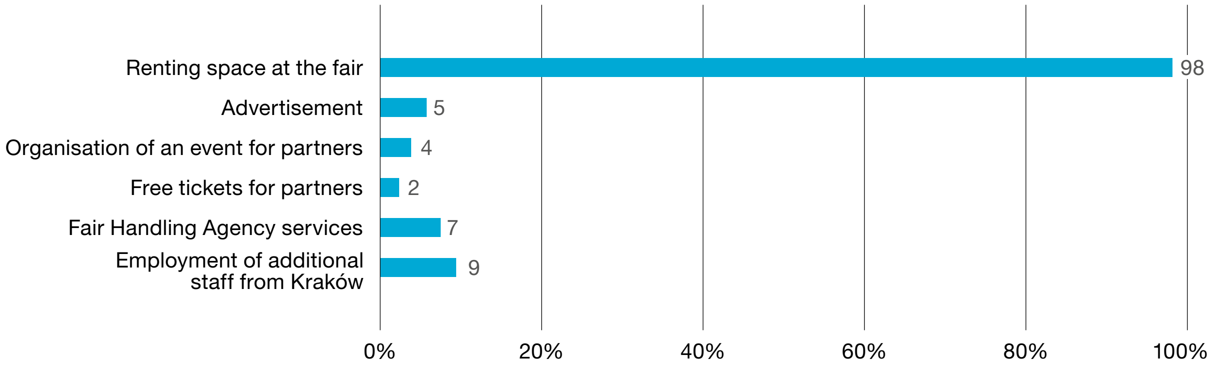
Source: Own study based on the surveys conducted.

FIG. 16. AVERAGE VALUE OF INDIVIDUAL EXPENDITURE OF EXHIBITORS AT FAIRS IN KRAKÓW IN 2013 (IN PLN PER CAPITA)



Source: Own study based on the surveys conducted.

FIG.17. SHARE OF EXHIBITORS AT FAIRS IN KRAKÓW IN 2013 BROKEN DOWN BY TYPE OF CORPORATE EXPENDITURE



Source: Own study based on the surveys conducted.

worth noting that the lowest spending in this group of respondents was unfortunately allocated to recreation (PLN 40) and culture (below PLN 30).

Exhibitor expenditure covers not only the money spent individually by people representing the company at fairs and/or exhibitions or presenting the commercial offer to visitors. It should also account for various expenditures made by the company presenting itself at the event.

Nearly all respondents mentioned that their business spends funds on the renting of space in the fair, which in this case seems obvious (see: Fig. 17).

Other costs were declared far less often, and most frequently included employment of other personnel from Kraków (approximately 9%), and the services of Fair Handling Agencies (over 7%).

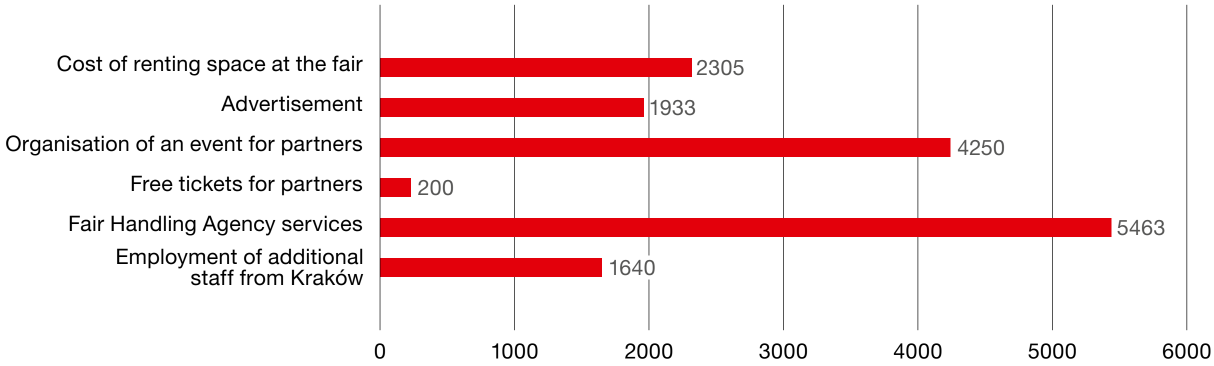
Despite the fact that the expenditure allocated to renting fair space was the most frequently declared item, it was not that item in the expenditure that proved the highest cost (on average more than PLN 2300 per exhibitor, see Fig. 18). This was because the exhibitors spent nearly 2.5 times as much on the services provided by Fair Handling Agencies and nearly twice as much on the organisation of events for partners. Relatively large amounts were also consumed by advertising (close to PLN 2000) and on the employment of extra service personnel (in excess of PLN 1600). The average cost of purchasing entrance tickets for cooperating partners (PLN 200) proved to be the lowest cost item.

The structure of spending in Kraków appears interesting. This was broken down into expenditure by those on both the demand and supply sides of the meetings industry (obviously on a per capita basis, and for types of expenditure that can be compared). Such a comparison was made for the year 2013 based on the results of a questionnaire survey conducted for the project and is illustrated in Fig. 19.[1] It demonstrates that accommodation during the event was the largest expense for all three groups of respondents. Especially conspicuous is the spending incurred on shopping by the group of business fair and exhibition visitors, which is more than twice as high as that seen in the remaining two groups of respondents. Also, the expenditure of exhibitors on accommodation before and/or after the event stands out, as it is more than twice as high as in the remaining two groups. It would also be impossible not to mention the expenditure of participants in congresses and other meetings of a similar character on entertainment and food and drink, as the share of this item is in turn about half that of the remaining groups of respondents.

In conclusion, those operating on the demand side of the business events sector spend the money they bring to Kraków in the city, yet they do not spend it with the same objectives, and depending on the purpose, the value of such expenditure varies. This variation must be taken account of when determining the impact of the meetings industry on the city's economy.

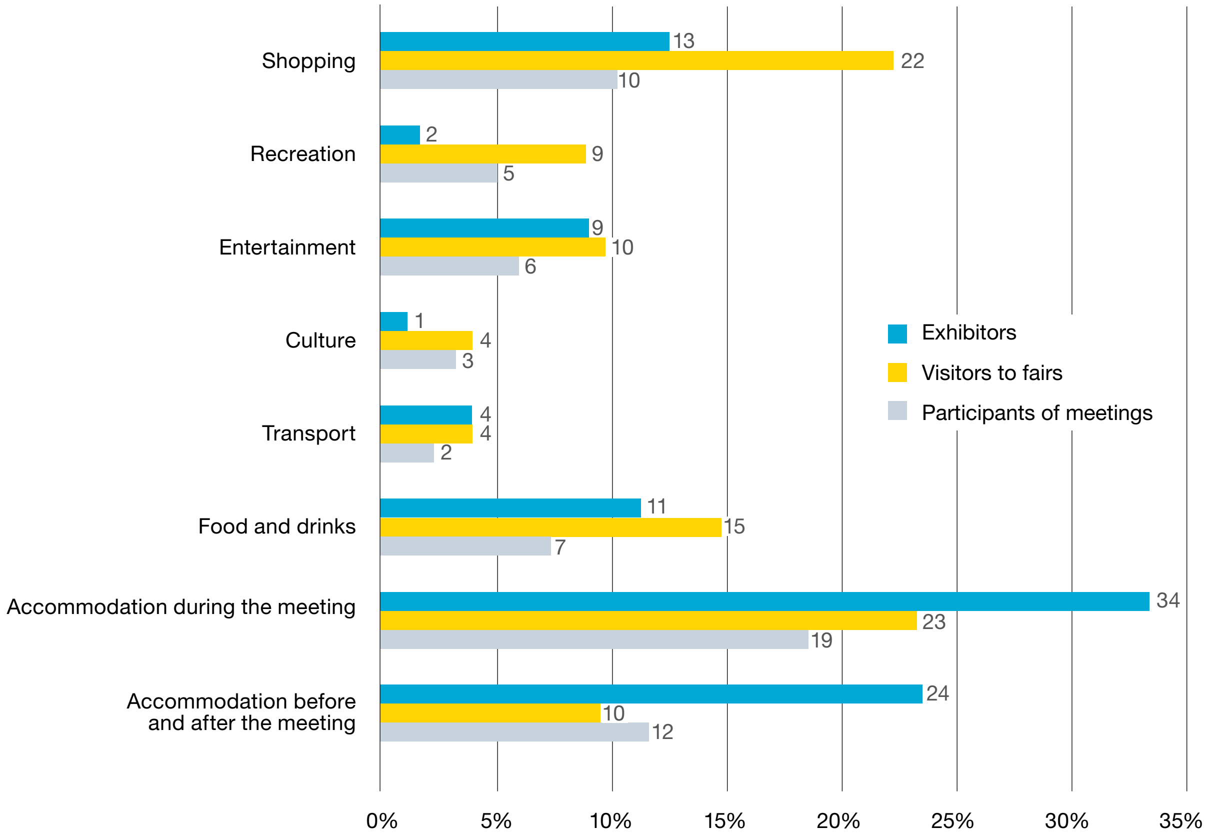
1 The values do not add up to 100%, as the list accounts for comparable expenditure only.

FIG. 18. VALUE OF AVERAGE CORPORATE EXPENDITURE OF EXHIBITORS AT FAIRS IN KRAKÓW IN 2013 (IN PLN PER COMPANY)



Source: Own study based on the surveys conducted.

FIG. 19. COMPARISON OF THE STRUCTURE OF AVERAGE PER CAPITA EXPENDITURE OF PARTICIPANTS IN CONGRESSES AND SIMILAR EVENTS, VISITORS TO FAIRS, AND EXHIBITORS AT FAIRS IN KRAKÓW IN 2013 (IN %)



Source: Own study based on the surveys conducted.

… approximately 1/50 of the revenue of Kraków businesses is generated by the meetings industry.

8. IMPACT OF THE MEETINGS INDUSTRY ON THE ECONOMY OF KRAKÓW IN 2013

8.1. SHARE OF THE MEETINGS INDUSTRY IN SELECTED GROUPS FORMING PART OF THE ECONOMY OF KRAKÓW

The primary share of the meetings industry (direct effect) in selected branches of the economy of Kraków (tourist economy and Group 08) was obtained in line with the methodology adopted by dividing the total expenditure of participants (together with accompanying people and co-financing (if any)) in a given group (from 01 to 08) by the overall revenue of Kraków businesses in that group. The results of the calculations for 2013 are presented in Table 3.

The data in the table above validate the earlier comments that participants in group business meetings, and visitors and exhibitors to fairs spent the most money on food and drink (G03) and accommodation (G02). The share is highest (over 3/4) in the overall revenue of the latter group. Yet in the case of food and drink (G03), despite high participant expenditure, the decisively higher overall revenue in this group of Kraków businesses means that the total share is lower by as much as 2/3 in this group, even though the amount spent on these services is similar to the amount spent on accommodation (G02). Similarly, the expenditure in the group Creative industries and other activities (G08) is also relatively high, even though its share only lies in the middle of the hierarchy by volume: only the shares of the meetings industry in the group of travel agents (G05), transport (G04), and handicrafts (G01) rank lower. Even expenditure on recreation (G07), lower by a factor of 10, has a higher share than expenditure on the Creative industries and other activities group.

If the (combined) overall volume of expenditure of group business meetings, visitors to fairs, and exhibitors were compared to the total revenue of the economy of Kraków in the groups singled out for the study (G01–G08), it becomes evident that:

The share of the meetings industry in the selected sectors of the economy of Kraków is estimated at 20.68%. This means that approximately a fifth of the revenue of Kraków businesses registered in groups G01–G08 is generated by the meetings industry.

Furthermore, a comparison of the (combined) overall expenditure of participants in group business meetings, visitors to fairs, and exhibitors at fairs with the over-

TABLE 3. SHARE HELD BY THE MEETINGS INDUSTRY IN SELECTED SECTORS OF THE KRAKÓW ECONOMY IN 2013

Group (Sector)	Total participant expenditure incl. that of accompanying persons and optional co-financing (in PLN)	% share in the group (sector)
Group 01 Handicraft, retail sale	49 755 748	13,76
Group 02 Hotels	111 911 244	76,85
Group 03 Restaurants	112 573 636	24,18
Group 04 Transport	28 028 845	12,69
Group 05 Travel agents, guides	11 460 595	9,00
Group 06 Culture	21 810 471	22,60
Group 07 Recreation, physical well-being	9 440 836	16,01
Group 08 Creative industries and other activities	91 959 140	14,45
TOTAL	**436 940 515**	

Source: Own study based on the surveys conducted on the data obtained from the Statistical Office in Kraków.

all revenue of Kraków economy in 2013 demonstrates that:

The share of the meetings industry in the entire economy of Kraków is estimated at 1.98%. This means that approximately 1/50 of the revenue of Kraków businesses is generated by the meetings industry.

With the fact that there were more than 105,000 enterprises of various types operating in the capital of Małopolska in 2013,2 a 2% share in the city's economy of just the direct effects of the meetings industry would appear to be significant.

8.2. IMPACT OF THE MEETINGS INDUSTRY ON KRAKÓW'S GDP

This part of the report (section 8.2) is based on the studies carried out by an external expert involved in the project, Dr Krzysztof Jakóbik, Director of the Statistical Office in Kraków, who cooperated with the Foundation of UEK team on content issues.

The following algorithm was used to assess the impact of enterprises actively operating in the Kraków meetings industry on the entire GDP produced in the city. In the first step, an estimate was made of the GDP produced in the city of Kraków in 2013. Such an estimate was necessary as the official data published by the Polish Central Statistical Office disaggregated to the level of major cities is made available with a delay of approximately 3 years and therefore, precise data is not yet available.

The second step consisted in the estimation of the scale, and later the share of the group of enterprises that belong to the meetings industry in their capacity as a constituent of Kraków's economy. Information from publicly available statistical registers was used for this purpose.

In the next step, the volume of employment in the industry measured by the number of those working in it was calculated for the thus defined group of enterprises. To assess the actual volume of employment more precisely, the data from the registry was updated with the data received from the information resources of the tax administration, which made it possible to calculate more precisely the share of producer resources at the level of the defined group as compared to the share for the entire city. This is important, as the discrepancies in various registers (for 2013) reach 20% of the nominal total, and do not account for those who work in sectors not covered by obligatory registration.

Then, using the shares of activity of individual groups of enterprises in the meetings industry addressed to the clients of a defined group of tourists in comparison to the total volume of services provided to all clients, the members of the project team calculated the individual participation weights in the overall revenue produced.

In the last step, the volume of the GDP produced by businesses working in the tourist economy in Kraków, and later of the meetings industry businesses in Kraków, was disaggregated by the use of the weights calculated for the individual groups.

Because of a range of significant assumptions made and presented above, these estimates must be treated as approximate values that only allow the drawing of cautious and limited conclusions. Such assessments are, however, made because, however imperfect, they provide results that are helpful in evaluating economic processes when actual data cannot be obtained. It is impossible to calculate the contribution to the GDP in a bottom-up manner (by submission of individual enterprise information), as at such a low level of aggregation, acquisition of full data is practically impossible in a relatively small and non-homogeneous group of enterprises.

The method employed falls back on an approach that proceeds to estimate the desired values using the method of linear regression with the use of an ancillary (measurable) exogenic variable that maintains a very strong relationship with the calculable or known GDP produced, rather than totalling appropriate financial values. Having analysed several dozen variables perceived as potential predictors of GDP, a very good correlation was observed between the number of those in work and the number of registered single proprietor enterprises with the volume of the GDP disaggregated by the Central Statistical Office for individual cities. The dependence was verified on the data available from the period from 2007 to 2011, for several administrative units to which the Statistical

2 Data acquired from the Statistical Office in Kraków.

TABLE 4. EMPLOYMENT IN SELECTED GROUPS/BRANCHES OF THE KRAKÓW ECONOMY IN 2013

Group	Group name	No. of employed*
Group 01	Handicrafts, retail sale	7126
Group 02	Hotels	4116
Group 03	Restaurants	6686
Group 04	Transport	6052
Group 05	Travel agents, guides	676
Group 06	Culture	3921
Group 07	Recreation, physical well-being	1135
Group 08	Creative industries and other activities	8534
Total		**38 246**

* The number of employed quoted is equivalent to the number of employees in the statistics of the Statistical Office calculated as full-time equivalent employment.

Source: Internal publications of the Statistical Office in Kraków.

Office disaggregates the GDP, and a very high codependence was obtained.

As a result:

The adjusted value of the GDP for the city of Kraków in 2013 was PLN 45.127 billion.

The adjusted value of the GDP for the meetings industry group in Kraków in 2013 was PLN 1.0689 billion.

The share of the GDP of the meetings industry amounts approximately to 2.37% of the GDP of Kraków.

8.3. IMPACT OF THE MEETINGS INDUSTRY ON EMPLOYMENT IN THE ECONOMY OF KRAKÓW

One of the goals behind the projects conducted was to identify the number of those employed (the literature refers to this category as full-time equivalent employment)3 in the meetings industry in the capital of Małopolska. The numerous sources of information necessary to estimate that number included the data acquired from the Statistical Office in Kraków. It must be clearly emphasised that the data from the Statistical Office did not refer exactly to the term "number of those employed" in the selected groups/sectors of the city's economy as the statistics run by the Office did not account for such a category. The basic category used throughout the project was the category "employees". In this part of the report it will be used, usually for stylistic purposes, interchangeably with other terms denoting the employed and all people in work.

3 For a broader treatment of the subject, see: *Definitions related to the meetings industry*.

TABLE 5. EMPLOYMENT IN THE MEETINGS INDUSTRY IN KRAKÓW IN 2013

Group (Sector)	Number of employed*
Group 01 Handicrafts, retail sale	980
Group 02 Hotels	3163
Group 03 Restaurants	1617
Group 04 Transport	768
Group 05 Travel agents, guides	61
Group 06 Culture	886
Group 07 Recreation, physical well-being	182
Group 08 Creative industries and other activities	1233
Total	**8890**

* The number of employed quoted is equivalent to the number of employees in the statistics of the Statistical Office calculated as full-time equivalent employment.

Source: Own study.

Data on the number of people at work in Kraków in 2013, broken down by sector, were developed for the sake of the study and are presented in Table 4.

They permit one to conclude that the largest employment was generated in Group 08 Creative industries and other activities – 22.3% of all those employed in the selected groups in the economy of Kraków. Another relatively large group in terms of employment was Handicraft, with 18.6%, of retail sales, followed by Restaurants at 17.5%, and Transport with 15.8%. The percentage of people working in Group 02 Hotels was 6.7 percentage points lower than in Group 03 Restaurants, a sector that ranked fifth in terms of full-time employment among all the groups analysed. The lowest employment was recorded in Group 05 Travel agents, guides, as it provided jobs for 1.8% of all the people working in the selected groups of the city's economy.

The above made it possible to identify the volume of employment in the meetings industry in Kraków.

In 2013, the groups/sectors analysed generated employment for 38,246 people, while the meetings industry – for 8,890 people (see Table 5). Yet the ranking of the sectors in question in terms of volume of employment for the meetings industry in the city and for the entire groups was different.

The greatest proportion of employment was generated by the Hotels group with 35.6% of overall employment in the meetings industry. Ranking second was the Restaurants group with 18.2% of the total employment in the meetings industry, and Group 08 Creative industries and other activities came third with 13.9% of the employment in the entire meetings industry. Handicrafts and retail sale ranked fourth in terms of employment, and Culture ranked fifth generating employment for 9.3% of people working in the entire meetings industry. A low share of the employment – when compared to employment in the entire meetings industry – was recorded in Group 05 Travel agents, guides.

The results show that:

In 2013, total employment in the entire meetings industry in Kraków amounted to 8,890 people, which corresponds to 23.2% of total employment in the selected groups/sectors in the Kraków economy.

Having accounted for indirect and induced effects, the number of employed (construed as full-time equivalent employment) was estimated at 12,214 persons for the entire meetings industry in Kraków.

The overall share of the employment generated by the meetings industry was 3.25% of the entire Kraków economy in 2013.

8.4. IMPACT OF THE MEETINGS INDUSTRY ON THE ECONOMY OF KRAKÓW IN THE REALM OF TAXATION

The calculations only take account of those streams of tax revenue (or the relevant parts of them) and levies that are paid to the Treasury of the Municipality of Kraków.

The revenues for the Treasury of the Municipality of Kraków from the title of taxation and levies cover:

1. The following proportions of income tax paid to the state treasury:

a. corporate income tax on legal persons operating in the meetings industry, of which 6.71% is paid to the municipal treasury

b. 37.26% of revenue from personal income tax from natural persons living in the city of Kraków and working in the meetings industry (with the exception of persons paying their taxes in the form of a tax card)

2. Tax on the business activity of natural persons operating in the meetings industry paid in the form of a tax card

3. Revenues from real estate tax

4. Vehicle tax

5. Revenue from local tax

6. Revenue from environmental tax.

In the categories that permitted us to distinguish the stream of tax and levies paid by the businesses that belong to the meetings industry, the individual values of taxes and levies were calculated relying on the data from the Statistical Office. Wherever statistics concerning taxes and levies were not prepared at such a level of disaggregation, the volume of taxes and levies was estimated with the use of the methodology presented in 8.1 above, according to the current proportion of the share of the meetings industry in the groups of business activity analysed. The results of the calculations are presented in Table 6. The results obtained make it possible to establish that the largest stream of taxation paid to the Treasury of the Municipality of Kraków by the meetings industry is personal income tax (PIT), which in 2013 accounted for 79% of all the fees and levies. The other taxes and levies category (20%) ranks second, among which the real estate tax (17.05% of all revenue) provides the largest share.

The total value of taxes and levies generated by the meetings industry and paid to the Treasury of the Municipality of Kraków in 2013 was PLN 60,001,798. This corresponded to 1.61% of the municipality's revenue (as per data provided in the *Sprawozdanie z wykonania Budżetu Miasta Krakowa 2013* budget report). Accounting for the tourist multiplier for the meetings industry, the overall sum of the taxes and levies generated was PLN 89,606,314. This amounted to 2.4% of the total budget of the city.

TABLE 6. TOTAL REVENUE (TAXES AND LEVIES) OF THE MUNICIPALITY OF KRAKÓW GENERATED BY THE MEETINGS INDUSTRY IN 2013 (IN PLN)

Types of revenue stream entering the Treasury of the Municipality of Kraków generated by the meetings industry in 2013 in PLN	Amount in PLN
Corporate Income Tax (CIT) generated by the meetings industry in 2013	504 095,82
Personal Income Tax (PIT) generated by the meetings industry in 2013	47 204 432,92
Natural Persons Business Tax paid in the form of a tax card	262 479,22
Other taxes and levies (including real estate, vehicle, and local taxes) generated by the meetings industry in 2013	12 030 790,27
TOTAL	**60 001 798,23**

Source: Own study based on the data of the Statistical Office in Kraków.

TABLE 7. SALARY VALUE, AVERAGE SALARY (AS OF 30TH JUNE 2013) IN KRAKÓW BY GROUP/SECTOR

Group	PKD07	Gross salaries for June (in thousands of PLN)	Gross salaries for the first half of the year (in thousands of PLN)	Average gross salary for June (in thousands of PLN)	Average gross salary for the first half of the year (gross salary for the first half of 2013 per person in employment as at 30th June 2013; in thousands of PLN)
Group 01		10 063,1	59 404,1	2,41	14,20
in this	47.71Z	3942,0	23 115,7	2,61	15,29
	47.78Z	495,6	2901,7	2,71	15,86
Group 02		6223,3	37 019,4	2,93	17,45
in this	55.10Z	6185,7	36814,7	2,94	17,50
Group 03		4064,9	24 973,1	1,73	10,62
in this	56.10A	2541,7	15 637,3	1,75	10,74
	56.21Z	1481,1	9077,9	1,70	10,45
Group 04		14 822,6	14 822,6	2,91	18,01
Group 05	The data cannot be made available for the reasons of statistical confidentiality				
Group 06		11 666,0	68 023,8	3,33	19,40
	90.01Z	1293,0	26 327,2	3,45	20,36
	90.04Z	486,0	9485,5	3,46	19,52
in this	91.02Z	1512,0	26 446,7	3,04	17,49
Group 07	The data cannot be made available for the reasons of statistical confidentiality				
Group 08		28 517,5	168 808,5	5,43	32,14
	58.11.Z	2716,7	12 951,9	5,84	27,85
	73.11.Z	2463,8	15 084,8	3,11	19,02
	74.10.Z	350,6	2128,0	3,00	18,19
	74.30.Z	1125,3	6752,0	5,95	35,72
	82.30.Z	632,9	2599,0	5,55	22,80

Source: Internal documents of the Statistical Office in Kraków.

Taking into account the number of participants in events resulting from PCB POT studies, it can be said that the stream of taxes and levies (direct, indirect, and induced effects) flowing into the Treasury of the Municipality of Kraków generated by each participant in the meetings industry in 2013 was PLN 210.

The total sum of taxes and levies generated by the meetings industry and paid to the treasury of the municipality of Kraków in 2013 amounted to PLN 60,001,798.

TABLE 8. VALUE OF GROSS SALARIES IN THE MEETINGS INDUSTRY IN KRAKÓW IN 2013

Group activities according to PKD (NACE)	Total value of gross salaries in the meeting industry in Kraków (in PLN)
Group 01 Handicraft, retail sale	16,348,010
Group 02 Hotels	56,898,820
Group 03 Restaurants	12,076,990
Group 04 Transport	23,254,750
Group 05 Travel agents, guides	160,620
Group 06 Culture	30,746,760
Group 07 Recreation, physical well-being	479,720
Group 08 Creative industries and other activities	48,785,660
Total	**188,751,330**
Overall effect on salaries	**315,799,850**

Source: Own study.

Having accounted for the indirect and induced effects, the overall value of taxes and levies generated by the meetings industry in Kraków in 2013 was estimated at PLN 89,606,314.

The overall value of the taxes and levies generated by the meetings industry corresponded to 2.4% of the revenue of the Treasury of the Municipality of Kraków in 2013.

8.5. IMPACT OF THE MEETINGS INDUSTRY ON THE ECONOMY OF KRAKÓW IN TERMS OF SALARIES

Data from multiple sources, one of them being the Statistical Office in Kraków, were used to calculate the value of salaries in the meetings industry in Kraków. The data are presented in Table 7 below. The data collected allow one to draw the conclusion that the highest average salary level was recorded in Group 08 that covers various other activities related to the organisation of events and undertakings accompanying them. In the case of this highly differentiated group the highest average gross salary in June 2013 was calculated at over PLN 5,430. Ranking second was culture (G06), followed by hotels (G02). The ranking does not account for groups G05 and G07 for the reasons of statistical confidentiality.

In the light of the data presented and studies conducted, annual salaries were calculated for the meetings industry in Kraków. Accounting for the value of indirect and induced effects, the overall results in the realm of salaries were also calculated and are presented in Table 7 below.

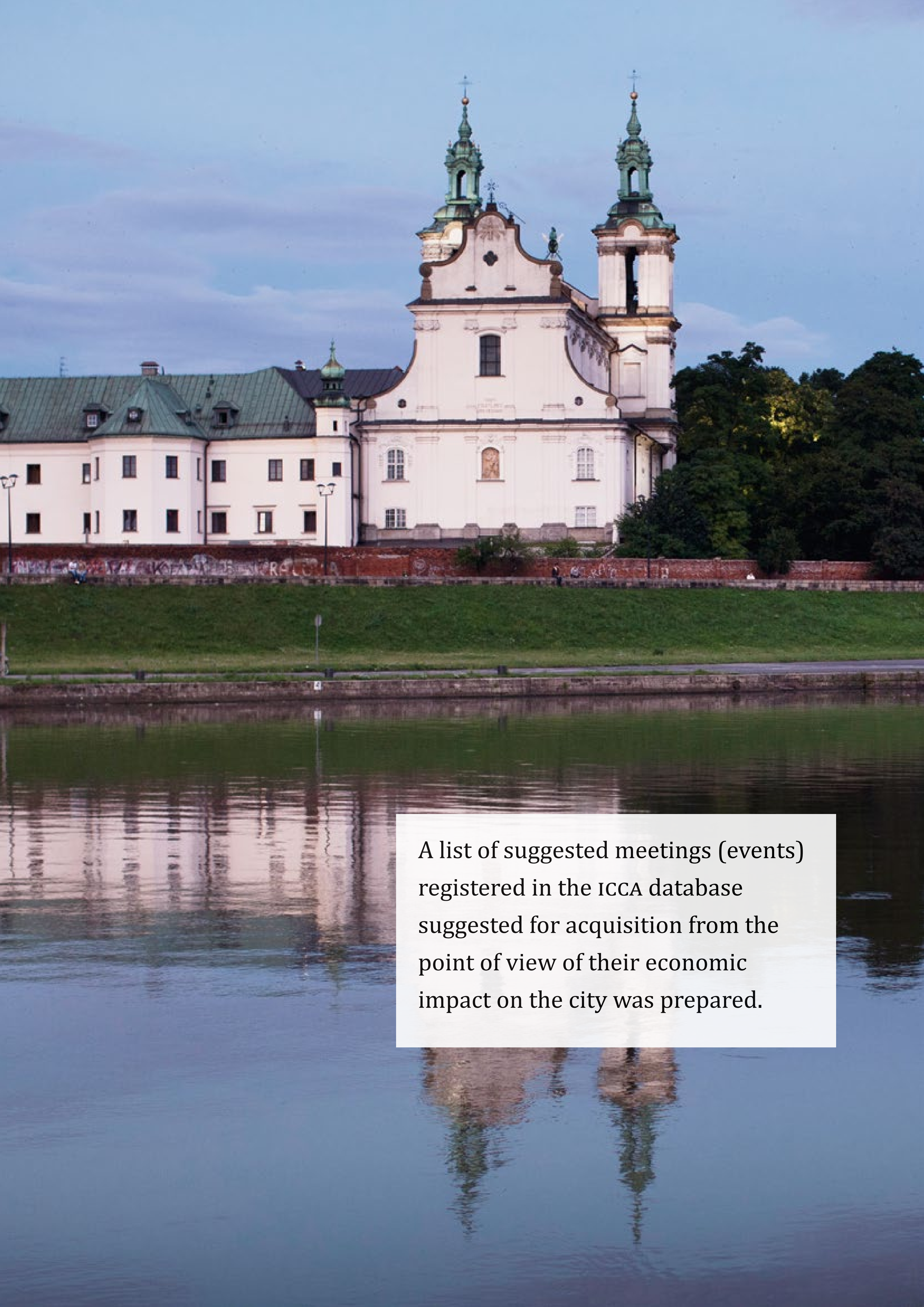
The largest proportion of all-year salaries was generated by the meetings industry in the group Hotels (30.1%) followed by Creative industries and other activities (related to the organisation of meetings and events) – 25.8%. The third largest group in the generation of the largest share of total salaries was Culture (16.3%) followed by Transport (12.3%).

In result:

The total value of gross salaries in the entire meetings industry in Kraków in 2013 was PLN 188 751,330, i.e. 20.6% of the value of gross salaries in the selected eight groups in the economy of Kraków.

Having taken of account of the indirect and induced effects, the overall value of net salaries in 2013 in the entire meetings industry in Kraków was PLN 315,799,850.

The overall share of the gross salaries generated by the meetings industry in the entire economy of Kraków in 2013 was 4.0%.



A list of suggested meetings (events) registered in the ICCA database suggested for acquisition from the point of view of their economic impact on the city was prepared.

9. RECOMMENDATIONS CONCERNING THE ACQUISITION OF EVENTS

One of the tasks set for the project team was to generate a list of meetings (events) selected from among those organised by international associations, that is, ones included in the International Congress and Convention Association (ICCA) database. The approach selected was based on a number of key selection criteria that the team believed to be significant which made it possible to reduce the number of records. Later, using a variety of parameters including the sector, number of participants, the power of estimation of the number of participants, and duration of the event, a total of 50 records were selected (see: Table 9). They include 20 events from the medical and pharmaceutical industry, the same number from the technical and information industry, and 10 from economics, humanities, and politics. It must be emphasised here that the list produced should be treated as a listing of suggested congresses and conferences that would be worthwhile organising in Kraków from the point of view of their economic impact on the city. On the other hand, this suggestion in no way accounts for plenty of other, different factors, notably the organisers' national and geographic preferences, the strength of individual scientific centres in the selected fields of knowledge which could be the potential local partners in the organisation of such an event, and other circumstances and conditions specific to each of these meetings. The intention behind the drafting of the list was to present a suggested choice of meetings that should be acquired for Kraków in a planned manner, as part of a strategy. The process of acquisition should be joined by major Kraków venues (capable of hosting at least 500 people), academic bodies, sectoral organisations, and the authorities of the City of Kraków. Organisation of an event or meeting from the list will have a positive impact on many different businesses providing services for participants in such events, beginning with Kraków hotels and restaurants, and ending with tourist attraction operators, with a special focus being placed on the sites that make it possible to share the rich cultural heritage of the city. In justification of the list of events presented below, it must also be noted that it does not exclude the possibility of canvassing for the organisation of other, lesser events with a high PR/image and media visibility factors, and/or generating new, unique resources of knowledge and experience in business relations that in future could help to acquire other important new meetings and events for local participants and enterprises.

TABLE 9. LIST OF PROPOSED INTERNATIONAL MEETINGS REGISTERED ON THE ICCA DATABASE SUGGESTED FOR ACQUISITION BY KRAKÓW IN COMING YEARS

No.	Event	Organiser	frequency	Sector	No. of participants
1	Working Week & General Assembly of the International Federation of Surveyors (FIG)	International Federation of Surveyors (FIG)	annual	T	1591
2	Annual Executive Meeting of the International Commission on Large Dams (ICOLD)	International Commission on Large Dams (ICOLD)	annual	H	1333
3	World Forum for Hospital Sterile Supply (WFHSS)	World Forum for Hospital Sterile Supply (WFHSS)	annual	M	1868
4	Congress of the European Society for Sexual Medicine (ESSM)	European Society for Sexual Medicine (ESSM)	annual	M	1581
5	World Congress of the International Federation for the Surgery of Obesity & Metabolic Disorders (IFSO)	International Federation for the Surgery of Obesity and Metabolic Disorders (IFSO)	annual	M	1722
6	EuroSpine	EuroSpine, the Spine Society of Europe	annual	M	1774
7	Meeting of the European Society of Pediatric Gastroenterology, Hepatology and Nutrition (ESPGHAN)	European Society of Paediatric Gastroenterology, Hepatology and Nutrition (ESPGHAN)	annual	M	1968

No.	Event	Organiser	frequency	Sector	No. of participants
8	Conference European Dialysis and Transplant Nurses Association (EDTNA) & European Renal Care Association (ERCA)	European Dialysis and Transplant Nurses Association/European Renal Care Association (EDTNA/ERCA)	annual	M	1912
9	General Assembly & Congress of the International Tunnelling Association (ITA)	International Tunnelling Association (ITA)	annual	T	1229
10	IEEE International Conference on Robotics and Automation (ICRA)	IEEE Robotics and Automation Society (IEEE-RAS)	annual	T	1363
11	European Congress for Ultrasound in Medicine and Biology (EUROSON')	European Federation of Societies for Ultrasound in Medicine and Biology (EFSUMB)	annual	M	1376
12	World Congress of the International Health Economics Association (iHEA)	International Health Economics Association (iHEA)	biannual	M	1903
13	International Conference on Oral and Maxillofacial Surgery (ICOMS)	International Association of Oral and Maxillofacial Surgeons (IAOMS)	biannual	M	1512
14	Congress of the European Society of Physical and Rehabilitation Medicine (ESPRM)	European Society of Physical and Rehabilitation Medicine (ESPRM)	biannual	M	1404
15	Congress of the World Association for Buiatrics (WAB)	World Association for Buiatrics (WAB)	biannual	M	1562
16	European Congress on Advanced Materials and Processes (EUROMAT)	Federation of European Materials Societies (FEMS)	biannual	T	1781
17	International Biotechnology Symposium (IBS)	International Union of Pure and Applied Chemistry (IUPAC)	biannual	T	2000
18	Congress of the International Association of Paediatric Dentistry (IAPD)	International Association of Paediatric Dentistry (IAPD)	biannual	M	1371
19	International Conference on Computer Vision (ICCV)	Institute of Electrical & Electronics Engineers Computer Society (IEEE-CS) IEEE Computer Society	biannual	T	1008
20	World Congress of the International Union of Food Science and Technology (IUFoST)	International Union of Food Science and Technology (IUFoST)	biannual	T	1630
21	World Congress on Neurorehabilitation	World Federation for NeuroRehabilitation (WFNR)	biannual	M	1538
22	World Congress of Chefs (WACS)	World Association of Chefs Societies (WACS)	biannual	T	1612
23	World Congress for Nurse Anesthetists (WCNA)	International Federation of Nurse Anesthetists (IFNA)	biannual	M	1539
24	International Symposium on Medicinal Chemistry (EFMC-ISMC)	European Federation for Medicinal Chemistry (EFMC)	biannual	M	1442
25	International Conference of the World Veterinary Poultry Association (WVPA)	World Veterinary Poultry Association (WVPA)	biannual	M	1365
26	European Congress on Biotechnology (ECB)	European Federation of Biotechnology (EFB)	biannual	T	1414
27	European Congress of Chemical Engineering (ECCE)	European Federation of Chemical Engineering (EFCE)	biannual	T	1606
28	World Polymer Congress (IUPAC – MACRO)	International Union of Pure and Applied Chemistry (IUPAC)	biannual	T	1666
29	International Aerosol Congress and International Aerosol Exhibition	European Aerosol Federation (EAF)	every 2 or 3 years	T	1500

No.	Event	Organiser	frequency	Sector	No. of participants
30	International Congress and General Assembly on Biophysics (IUPAB)	International Union for Pure and Applied Biophysics (IUPAB)	every 3 years	H	1849
31	Congress of the International Federation of Societies for Surgery of the Hand (IFSSH)	International Federation of Societies for Surgery of the Hand (IFSSH)	every 3 years	M	1750
32	Congress of the Latin American Association of Linguistics and Philology (ALFAL)	Asociacion de Linguistica y Filologia de America Latina (ALFAL)	every 3 years	H	1328
33	Congress of the International Ergonomics Association (IEA)	International Ergonomics Association (IEA)	every 3 years	H	1900
34	International Conference on Low Temperature Physics (LT)	International Union of Pure and Applied Physics (IUPAP) The Commission on Low Temperature Physics (C5)	every 3 years	T	1265
35	World Conference on Transport Research (WCTR)	World Conference on Transport Research Society (WCTRS)	every 3 years	T	1533
36	Congress of the International Union for Quaternary Research (INQUA)	International Union for Quaternary Research (INQUA)	every 4 years	T	1680
37	International Ornithological Congress (IOC)	International Ornithologists' Union (IOC)	every 4 years	H	1800
38	European Congress of Neurosurgery (EANS)	European Association of Neurosurgical Societies (EANS)	every 4 years	M	1780
39	International Congress of Speleology (UIS)	International Union of Speleology (UIS)	every 4 years	T	1821
40	European Microscopy Congress (EMC)	European Microscopy Society (EMS)	every 4 years	T	2000
41	Congress of the International Transport Workers' Federation (ITF)	International Transport Workers' Federation (ITF)	every 4 years	H	1330
42	General Meeting of the International Mineralogical Association (IMA)	International Mineralogical Association (IMA)	every 4 years	T	1368
43	Conference of the International Society for Soil Mechanics and Geotechnical Engineering (ICSMGE)	International Society for Soil Mechanics and Geotechnical Engineering (ISSMGE)	every 4 years	T	1866
44	Interim Meeting of the World Federation of Neurosurgical Societies (WFNS)	World Federation of Neurosurgical Societies (WFNS)	every 4 years	M	1200
45	International Congress of Plant Pathology (ICPP)	International Society for Plant Pathology (ISPP)	every 5 years	H	1323
46	Congress of the International Association for the History of Religions (IAHR)	International Association for the History of Religions (IAHR)	every 5 years	H	1125
47	World Geothermal Congress (WGC)	International Geothermal Association (IGA)	every 5 years	T	1928
48	Congress of the International Federation of the Societies of Classical Studies (FIEC)	International Federation of the Societies of Classical Studies (FIEC)	every 5 years	H	1357
49	Assembly of the Lutheran World Federation (LWF)	Lutheran World Federation (LWF)	every 6–7 years	H	1500
50	European Congress on Pharmacology (EPHAR)	Federation of European Pharmacological Societies (EPHAR)	irregularly	M	1574

Source: Own study based on ICCA databases.

The study produced by the authors made it possible to identify the impact of the meetings industry on the economy of Kraków.

10. SUMMARY

The study produced by the authors made it possible to identify the impact of the meetings industry on the economy of Kraków. The objective was reached by coming to an agreement on specific activities that included a broad range of expert consultations with the Swiss partner, which followed an investigation of the partner's solution for the specific subject of the study. The knowledge acquired and the experience gained in the project should be used by the city's decision-makers in managing the development of the meetings industry in Kraków through the active creation of conditions favourable to the attraction of a greater number of national and international events, and the identification of potential changes in the market. In this context, the project should help to identify trends in the booking and selection of venues where congresses and conferences are organised, and moreover to estimate the volume and value of the business meetings sector in Kraków. Moreover, thanks to the project, the local partners have received information about the economic benefits that the meetings sector brings to the economy of Kraków. Additionally, another effect of the analyses resulting from the report should be the making of conscious efforts aimed at the acquisition of conference events generating the highest economic revenue.

With the above in mind, one needs to note that the largest expenditure made by participants in business events – congresses and other meetings of similar nature (conferences, seminars, symposiums, training sessions, workshops, other corporate events, and incentive events) was for fees for participation in the event, accommodation during the event, shopping, and food and drinks. In turn, visitors to business fairs and events spent the highest average amounts on accommodation during the event and shopping in shopping centres and shops. Visitors to trade fairs and exhibitions allocated half that amount of funds to food and drinks outside the fair venue, although nearly all the respondents in the group declared that while staying in Kraków they spent the money they brought on food. In turn, the highest average individual expenditure of exhibitors at fairs was assigned to accommodation during the event and also before and/or after it. Relatively large amounts were spent on shopping in shopping centres and shops, and on entertainment. Examining the expenditure of companies that present themselves at business events, one should note that the highest average amounts were paid to fair operators, and also as fees to partners for the organisation of events. As far as the structure of expenditure of the above-mentioned groups is concerned, the highest percentage of expenditure in all the three groups was assigned to accommodation during the event. Standing out especially was the expenditure on shopping in the group of business fair and exhibition visitors, as its share was more than twice as high as in the remaining two groups. Visitors to trade fairs and exhibitions also most frequently declared spending money on food and drinks, entertainment, recreation, and culture.

A category that well reflects the scale of the phenomenon investigated is the impact of the meetings industry on the economy of Kraków in terms of GDP. The value of adjusted GDP for the meetings industry in Kraków in 2013 was PLN 1.0689 billion. As a result, the share of the GDP of the meetings industry in the entire GDP of the Municipality of Kraków in 2013 amounted to 2.37%.

Another conclusion obtained from the study which is important for the city defines the impact of the meetings industry on the Kraków economy in terms of employment. The total employment in the meetings industry in Kraków in 2013 was 8,890 people, which corresponds to 23.2% of the total employment in the selected groups/sectors of the economy of Kraków. Having taken account of the indirect and induced effects, employment in the meetings industry in Kraków was estimated at a total level of 12,214 people. This means that the overall employment generated by the meetings industry in 2013 was 3.25% of employment in the entire Kraków economy.

Taxes are an important factor that influences the well-being of society. It was concluded that the volume of taxes and levies that the city treasury collected from businesses operating in the meetings industry in 2013 was PLN 60,001,798. In turn it was estimated that the total value of taxes and levies generated by the meetings industry was PLN 89,606,314, which accounted for 2.4% of the revenue of the Treasury of the City of Kraków.

The impact of the meetings industry on the city's economy is also visible in terms of salaries. The gross aggregated value of salaries recorded in the entire meetings industry in Kraków in 2013 was PLN 188,751,330, i.e. 20.6%

> … a recommendation of 50 international events was made. Hosting them could generate new revenue for the city's economy, as well as new employment.

of the gross salary value in eight selected groups in the economy of Kraków. Having accounted for indirect and induced effects, the overall value of gross remunerations in the entire meetings industry in Kraków in 2013 amounted to PLN 315,799,850. As a result, the share of total gross salaries generated by the meetings industry in 2013 amounted to 4.0% of the entire Kraków economy.

In conclusion, it should be stated that the Kraków meetings industry has the features of a significant element in the economy of the city, and accounting for the fact that three major venues providing services for clients of the sector (Kraków ARENA, EXPO Kraków, and ICE whose opening is planned for October 2014) were delivered in 2014, one should suppose that its share may even increase if no unpredicted circumstances arise. For that reason, and taking into account the potential of the infrastructure existing in the past and also the organisational capacities of the sector in Kraków, a recommendation of 50 international events was made. Hosting them could generate new revenue for the city's economy, and also new employment.

In the light of the considerations presented it seems justified to propose that the phenomenon examined in the study continues to be monitored, with a similar study being conducted in four or five years time. Nevertheless, the foundation for monitoring the meetings industry is the knowledge held by the representatives of businesses and institutions about the volume of the market, that is the number of organised business events and meetings, and the number of participants in those meetings. What seems of key importance here is the continuous and systematic gathering of such data based on the concept of the Kraków System for Registration of Meetings and Events (Krakowski System Rejestracji Spotkań i Wydarzeń) for each venue providing professional services for the market and for every professional congress and conference organiser to register all events in their individual accounts. This would avoid information redundancy at the scale of the city by the checking of repeated event records (defined by name and date, following the standard of the ICCA database). Providing credible and exhaustive data, the system would be a tool supporting the operation of the Kraków Convention Bureau and could also provide a perfect benchmarking platform for the Kraków meetings industry and business events at the scale of the city and the country. Selected anonymous data from the system would be transferred to the PCB POT database making it possible to maintain cohesion with the national system, at the same time being fully focused on the needs of a dynamically developing Kraków.

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Jacek Legendziewicz, Jordan Group
Agata Osiak, Sheraton Kraków Hotel
Maciej Pilch, Events Office of the Jagiellonian University
Ewa Woch, Targi w Krakowie

3. PEOPLE DIRECTLY INVOLVED IN QUESTIONNAIRE SURVEY:

Professor Krystyna Ablewicz, Institute of Pedagogy of the Jagiellonian University
Dr Jan Balbierz, Institute of German Philology of the Jagiellonian University
Anna Barańska, Kraków Opera
Jan Bączek, JAN-POL
Monika Białkowska, Barka Alrina
Elżbieta Bielik, Juliusz Słowacki Theatre in Kraków
Dr Piotr Buła, Kraków Business School at the Kraków University of Economics
Dr Piotr Chołda, Chair of Telecommunication of the AGH-UST University of Science and Technology in Kraków
Monika Czaja, Learned Society of Quality Management of the Kraków University of Economics
Professor Janina Czapska, Department of Law and Administration of the Jagiellonian University
Zofia Cześnikiewicz, Symposium Cracoviense
Dr Dariusz Dańkowski, SJ, Institute of Philosophy of the Ignatianum Jesuit University in Kraków
Michał Dłużewski, Medycyna Praktyczna publishing house
Wanda Dudek, Hugo Kołłątaj Regional Pedagogical Library in Kraków
Agnieszka Faracik, DMC Poland
Dr Jerzy Feliks, Department of Management of the AGH-UST University of Science and Technology in Kraków
Dr Łukasz Fyderek, Institute of Middle and Far Eastern Studies
Aneta Garncarz, Centre for Autism (SOS-W CAiCZR) in Kraków
Ewa Gawłowska, Ludwik Solski Academy of Drama in Kraków

Monika Górka, JAN-POL
Dr Jacek Górski, Museum of Archeology in Kraków
Wioletta Grzegorzak, 2nd Department of Interventional Cardiology, Jagiellonian University Medical College in Kraków
Marcin Jabłoński, MD, Chair of Psychology, Ignatianum Jesuit University
Dr Anna Jach, Institute of Russia and Eastern Europe of the Jagiellonian University
Dr Lech Jamroż, Institute of Information Science of the Kraków University of Technology
Dominika Jaźwiecka-Bujalska, Dla Seniora z Życiem Foundation
Dr Tomasz Jeleński, INTBAU Polska
Anna Jędrocha, Sympozjum Cracoviense
Karolina Kaduszkiewicz, PRAGMA Coaching Section
Agnieszka Kania, Department of Polish Studies of the Jagiellonian University
Professor Jan Kazior, Institute of Materials Engineering of the Kraków University of Technology
Iwona Kmieć, Institute of Zoology of the Jagiellonian University
Dr Agata Kołodziejczyk, Institute of Environmental Studies of the Jagiellonian University
Sławomir Kosieliński, "Mikromakro Institute" Foundation
Dr Katarzyna Kotyńska, Chair of Ukrainian Studies of the Jagiellonian University
Dr Małgorzata Kowalczyk, Kraków Technical University
Krystian Koziara, TBSP Civil Procedures Learned Society of the Jagiellonian University
Małgorzata Krawczyk, ZiZ Education Centre
Agnieszka Kwiecień, Fragile
Wioletta Laskowska-Smoczyńska, Manggha Museum of Japanese Art and Technology
Joanna Lasocha, Iwentarium
Małgorzata Leśniak, KCRI Education & Trainings
Agata Leśniak, Park Inn by Radisson
Professor Piotr Łebkowski, Department of Management of the AGH-UST University of Science and Technology in Kraków
Jakub Łuszczek, Hotel ASPEL
Professor Andrzej Magiera, Department of Physics, Astronomy, and Applied Information Sciences of the Jagiellonian University
Professor Lidia Matynian, Academy of Music in Kraków
Professor Halina Mieczkowska, Institute of Slavic Philology of the Jagiellonian University
Małgorzata Mrożek-Buksa – Jagiellonian Library
Gabriela Orzech, Meritum Learned Society of the Jagiellonian University
Ewa Owsiak, Symposium Cracoviense
Professor Maciej Pawłowski, Department of Pharmacy of the Medical College of the Jagiellonian University
Ewa Pędracka-Kwaskowska, Chancellor of the Jagiellonian University
Anna Pietrzyk, Department of Management of the AGH-UST University of Science and Technology in Kraków
Professor Norbert Gerard Pikuła, Institute of Work and Social Affairs of the Pedagogical University in Kraków
Dr Krzysztof Polak, Institute of Pedagogy of the Jagiellonian University
Paweł Pytel, Medycyna Praktyczna publishing house
Dr Tomasz Rachwał, Institute of Geography of the Pedagogical University in Kraków
Dr Alicja Rafalska-Łasocha, Department of Chemistry of the Jagiellonian University
Dr Małgorzata Ruchel, Institute of Philosophy of the Jagiellonian University
Jan Rytel, NOVIAL
Dr Remigiusz Sapa, Institute of Scientific Information and Library Studies of the Jagiellonian University
Beata Simon, Targi w Krakowie
Dr Anna Siudak, Chair of Speech Therapy and Developmental Disorders of the Pedagogical University in Kraków

Professor Daniel Słyś, Rzeszów Technical University
Dr Katarzyna Sonnenberg, Institute of Japanese and Chinese Studies of the Jagiellonian University
Małgorzata Sosnowska, Centrum Targowe Chemobudowa Kraków
Dr Aleksandra Szczechla, Institute of Japanese and Chinese Studies of the Jagiellonian University
Tomasz Szpunar, Best Western Premier Kraków Hotel
Maria Szymaczek, Polish Nursing Association
Witold Trela, Department of Agriculture and Economics of the University of Agriculture in Kraków
Karolina Turlej, Global Wings
Dr Krzysztof Wach, Department of Economics and International Relations of the Kraków University of Economics
Dr Aleksandra Wagner, Institute of Sociology of the Jagiellonian University
Piotr Wilczek, Grupa A-05
Ewa Woch, Targi w Krakowie
Professor Stanisław Wydymus, Department of Economics and International Relations of the Kraków University of Economics
Professor Paweł Zięba, Institute of Metallurgy and Materials Engineering of the Polish Academy of Sciences
Dr Bartosz Ziółko, Faculty of Computer Science, Electronics and Telecommunications of the AGH-UST University of Science and Technology in Kraków
Beata Żuchowicz, Symposium Cracoviense

Our thanks are also extended to all the individuals who contributed to the project and are not listed above.

* Affiliations of people listed above are with companies and institutions as at the time of the project.

Due diligence was paid to make no mistakes in the names of people and entities involved in the project. Please accept our sincere apologies should any error occur despite the best of our efforts.

DEFINITIONS RELATED TO THE MEETINGS INDUSTRY

Brief – a summary recapitulating all aspects of a planned event. It should contain all organisational elements of the given event that are material for the agency organising the event and should allow the drawing up of the bid. It should include the objective of the event; its place and date; age, gender and number of participants; participant profile (business relations, experience in events, potential expectations); and a suggested budget.

Business events (Polish *imprezy korporacyjne*) include a variety of events that promote the improvement of communication and attainment of other (image-related, sales, incentive and motivation, and other) goals.

Business Travel and Tourism (Polish: *turystyka biznesowa / podróże służbowe*) – covers travel of employees and other persons as part of their business responsibilities, including participation in meetings, conferences, trade fairs and exhibitions, etc. Thus, business tourism is a notion that is broader than the meetings industry, as it also covers individual tourists.

Conferences and congresses (Polish: *konferencje i kongresy*) – a single category of meetings organised for purposes including the exchange of opinions, dissemination of information, opening of discussions, or sharing of opinions on a specific problem or question within a given environment which were grouped – for the purposes of the project – into a single category. In the project, the term “conferences and congresses” refers to meetings of the following types: conferences, congresses, symposiums, seminars, and conventions.

Destination Management Companies – DMCs – businesses operating at the destination of those attending the meeting (incoming agents). They have detailed know-how of the venue of the event at their disposal, and cooperate with local service providers to provide accommodation, transfers, and/or accompanying events. As a rule they are commissioned by foreign PCOs and/or corporate clients.

Direct economic effect (Polish: *bezpośredni efekt ekonomiczny*) – the effect obtained in the part of local economy that directly satisfies the demand induced by meetings and/or event participants coming to a specific destination. Their expenditure on accommodation, food, visiting, transport, souvenirs etc. is the revenue of local businesses, which pay the salaries (income) of the staff (residents) employed and taxes for the treasury. Any increase in expenditure by meeting and event participants (additional demand triggered by meetings and events) therefore contributes to an increase in the revenue of local entrepreneurs and government, and increases the standard of living of the residents (including thanks to remuneration resulting from employment in the provision of direct services to meeting participants).

Trade Fairs and Exhibitions (Polish: *targi i wystawy*) – market type events with specified duration and frequency, during which a large number of businesses present a broad range of products from one or multiple sectors, and usually sales of such goods and services are performed based on the specimens/samples presented. Trade fairs and exhibitions may be addressed to industry representatives (B2B) or to the consumer segment (B2C).

Full-time equivalent employment (Polish: *ekwiwalent pełnoetatowego zatrudnienia*) is a measure expressed innumber of full-time jobs defined as the total number of working hours, divided by the average annual number of working hours in a full-time job.

Green Event (Polish: *zielone wydarzenie*) – an event for a company’s staff or clients organised in line with the principles of environmental protection, that is with energy and material efficiency in mind at all stages of preparation and implementation.

Gross remuneration/salary (Polish *wynagrodzenia brutto*) – salaries including personal income tax deductions and contributions to compulsory social security (retirement, disability, and illness) paid by the insured employee (public statistics).

Hosted Buyers (Polish: *profesjonalni kupujący*) – people responsible for planning and organisation of all types of business meetings (incentive travel, conferences, seminars, exhibitions, presentations, product launches, promotional campaigns, and/or training programmes) commissioning or making financial decisions. The term is frequently used by fair organisers to denote special buyers invited at the expense of the exhibitors.

Incentive Travel Offices (Polish: *organizatorzy podróży motywacyjnych*) – agencies organising incentive trips for business staff as a reward for their achievements or to motivate them to work better, often also to bind the staff more strongly to the company.

Incentive travel (Polish: *podróże motywacyjne*) – exclusive trips organised to areas highly attractive to tourists (usually situated away from major metropolitan centres), financed by employers to reward their staff for achievements and motivate them to better and more productive work.

Indirect economic effect (Polish: *pośredni efekt ekonomiczny*) – is the effect obtained in the part of local economy that is only indirectly linked to the provision of services for meetings and events. Businesses allocate the money obtained from participants at meetings and events to various other lines of expenditure, for example, related to the purchase of materials and semi-products for future operation, the remuneration of staff, taxation to be paid to central and/or local authorities, and potential investments.

Induced economic effect (Polish: *indukowany efekt ekonomiczny*) – the effect obtained in that part of the local economy that is not connected to the provision of services for meeting and event participants, but whose activity is triggered by their participants. Local people employed in entities operating in various sectors, public institutions, and NGOs, and also in providers and companies operating in the investment environment, allocate their revenue to food, clothing, maintenance of the household, purchase of equipment, etc. Thanks to this cash flow, businesses producing and offering an array of goods and services record revenues that have seemingly nothing in common with business, tourism, and the meetings industry.

International meeting (Polish: *spotkanie międzynarodowe*) – for the purpose of the project is construed as a meeting with the participation of at least 10 visitors from a minimum of 3 different countries, where the share of foreign participants amounts at least to 10%.4

4 The value was approved on the grounds of experience of the sector in the Kraków market.

Kick Off – an event held away from a regular base in the form of a conference (of a consortium of entities carrying out a new project) preparing the organisation of the efficient negotiation of the terms and conditions of cooperation, or the implementation of significant planned changes.

Kraków Convention Bureau (KCB) – is a non-profit unit operating within the structures of the Municipality of Kraków – Office of the Municipality of Kraków since 2004, and currently within the Department of Information, Tourism, and City Promotion. The mission of the KCB is to build up the image of Kraków and present the resources and values that make the city an important point on the map of the international meetings industry.

Meeting (group business meeting; Polish: *spotkanie*) – means a gathering of people at a single destination/venue to discuss, debate, present views and products, share concepts and ideas, teach, learn, and/or motivate. Meetings can be one-off or belong to a series held at a specified frequency – according to approved standards typical of individual types. The types of meetings considered in the study include: congresses, conferences, symposiums, seminars, training sessions, courses, workshops, incentive events, and trade fairs and exhibitions. The above means that the term "group business meetings" used in the project is not narrowed down to the category of business/corporate meetings. According to the Convention Industry Council (CAC) a meeting must meet the following formal criteria: (a) gather at least 10 participants for (b) a minimum of 4 hours at (c) a contracted site/venue.

Meeting Planners (Polish: *planiści spotkań*) – businesses responsible for the preparation and organisation of meetings and/or events for the client. Businesses defined by this term mostly operate in the American market. Their European counterparts are the PCOs, yet in certain cases, the scope of their tasks and duties varies and does not have to be fully aligned.

Meetings industry (Polish: *przemysł spotkań*) – is the whole scope of the processes and phenomena related to the organisation of meetings within a given space in a given time. The term "industry" emphasises the economic (and consequently social) impact of conducting meetings on a given area (city, region, country). The notion that is used interchangeably in the terminology applied here is MICE tourism, which is an acronym of Meetings, Incentives, Conventions, Exhibitions/Events.

Number in work – construed as the number of taxed individuals as of December 2013, on whose behalf the entity paying the tax declared the payment of income tax for 2013 on a PIT-4R tax return form (according to Tax Chamber data).

Poland Convention Bureau (PCB) – is a unit responsible for the promotion of Poland in its capacity as an attractive destination for the organisation of business meetings and events; it operates within the structures of the Polish Tourism Organisation (POT).

Professional Congress Organizers – PCO (Polish: *Profesjonalni Organizatorzy Konferencji i Kongresów*) – businesses involved in the organisation and provision of public services for conferences, congresses, and other group meetings. PCOs are commissioned by businesses, governmental institutions, and NGOs.

Tourist multiplier for the meetings industry (Polish: *mnożnik turystyczny dla branży spotkań*) – a stream of funds triggered by the expenditure of meeting and event participants which stimulates the market in various sectors of the economy (industry, construction, agriculture, etc.). The multiplier makes it possible to assess the overall effects (direct, indirect, and induced) of the initial expenditure by meeting and event participants in a given place in relation to their arrival at the destination to participate in the meeting or event.

Training sessions (Polish: *szkolenia*) – events bringing together participants at a specified time and place to hone their skills or acquire information on a given subject.

Transport providers (Polish: *przewoźnicy*) – businesses in the segment of professional providers of business travel represented by airlines, railways, ferries, and road transport; e.g. car rentals.

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